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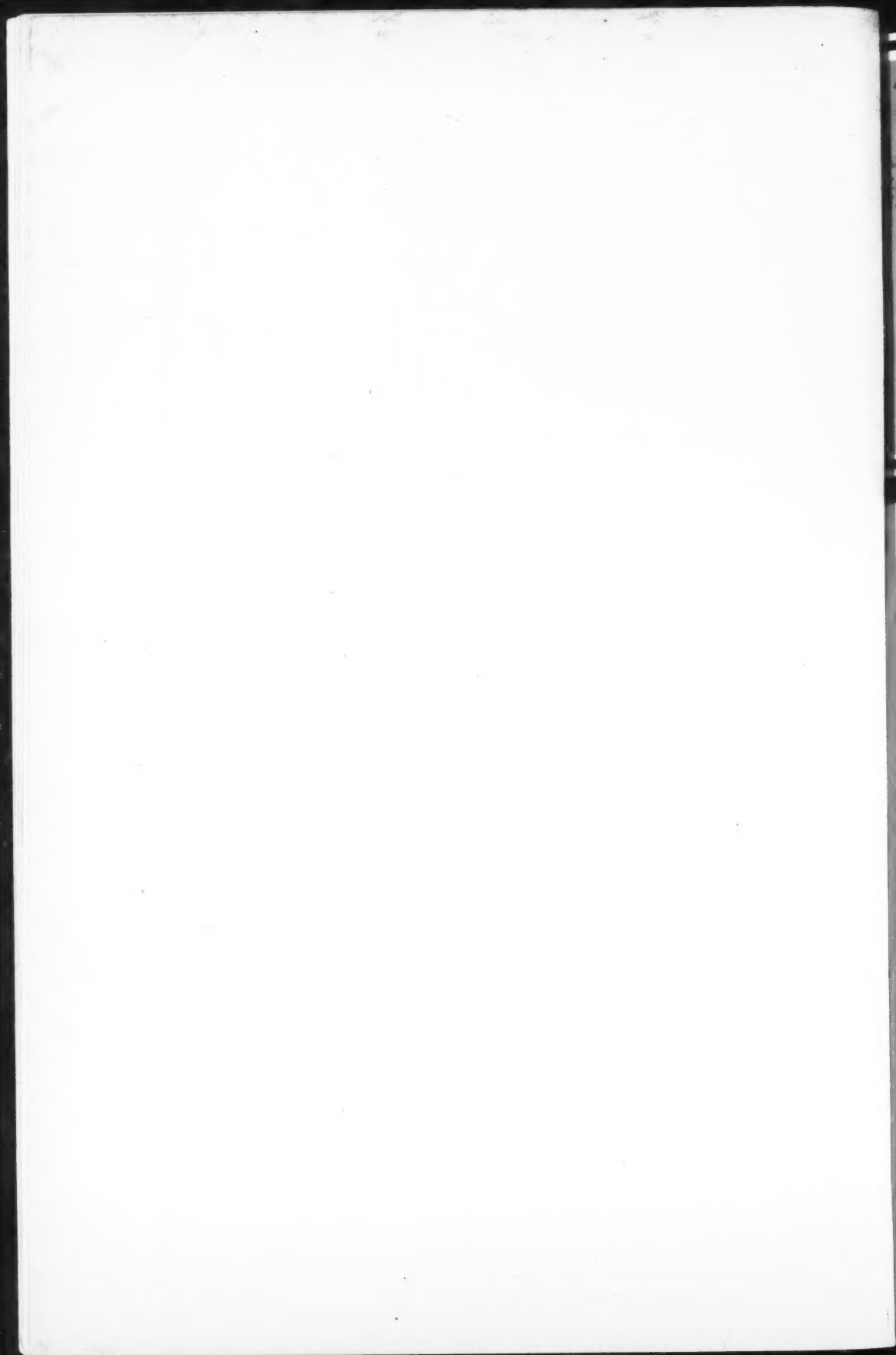
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CURRENT HISTORY

APRIL 1932

Capitalism Survives

By THOMAS NIXON CARVER

Professor of Political Economy, Harvard University

THIS is a good time for revolutionists. The discontent engendered by hard times has created a ready market for their wares as an epidemic does for nostrums. We need not look so far as Russia or even Western Europe for evidence that the bear market for commodities is accompanied by a bull market for revolutionary doctrines. Latin America has had seven revolutions in two years. In our own country every apostle of change, both radical and reactionary, is feverishly trying to make hay before the sun shines. When good times return there will be a slump in the market for subversive ideas.

But good times are never going to return until some radical change is made! is the cry of all revolutionists. When we had good times their cry was, good times cannot last! They get more listeners now because there is more discontent than there was from 1922 to 1929. Everybody who wants a change, either to line his own pocketbook, to get elected to office, or to bring about a social revolution,

is now setting his sails to catch every wind of discontent. It is not a time for smug satisfaction or indifference on the part of those who are entrenched behind time-honored institutions. It is a time of testing, not only for our political and business policies, but for our most fundamental institutions, and even for our whole economic system. Nothing is immune to attack. Religion, the family, property, government, and even education as it is now conceived, are all under criticism and on the defensive.

The most fundamentally upsetting of all these movements, though not the most virulent, is that which goes under the name of communism. It is a system which would replace private property with common property. Now communism is of two kinds and we should be careful not to get them mixed, for that can only result in confusion. One kind is voluntary and the other is coercive. The voluntary kind depends upon conversion to the ideals of communism by persuasion. No one is to be coerced into joining, or into remaining in the system if he wants

to get out. The coercive kind does not wait for the slow processes of persuasion but proceeds by the way of a dictatorship of the proletariat, that is, of the organized and disciplined part of the proletariat. Those who do not believe in it are to be brought in and kept in by physical force.

There is nothing hostile to communism of the voluntary sort in this or any other reasonably free country. We have had a good many communistic societies already, and there is nothing in our laws and institutions to prevent the number from increasing. Those who care to do so and can get together may organize themselves on a voluntary basis and proceed to practice communism. The only limit to their number is that of their persuasive power. If they try to use coercion to bring people in, or to hold those who have joined, they would, of course, get into trouble with our laws. The only limit to the duration of these communistic societies is the willingness of their members to remain Communists. When they cease to be Communists, then they change, in a democratic way, to capitalism or something else. The Oneida Community of New York long ago changed to a joint-stock company, or corporation, and is now, technically, a capitalistic organization, though retaining much of the spirit of voluntary communism. It is reported that the Amana Society of Iowa has recently made the same change. Most other communistic groups have merely dissolved. In fact, voluntary communism has more in common with what is generally known as capitalism than it has with coercive communism. That is to say, the distinction between voluntarism and coercion is wider than the distinction between individual and group ownership of wealth.

This distinction between voluntary and coercive types of industrial organization is the most important that can possibly be drawn. No other distinction cuts quite so deeply or separates

industrial systems by such a wide gap. Herbert Spencer long ago recognized this fact when he divided societies into two main types—the militant and the industrial. The militant type of organization is based on authority and obedience; the industrial type on contract, which is voluntary agreement among free citizens. The two most striking chapters in Spencer's great work on synthetic philosophy are those in which he contrasts these two types of society. Spencer thought, however, that the militant type, while necessary for the purposes of war, was unsuited to industry. Coercive communism is based on the opposite opinion. The Russians are putting it to an empirical test.

Fundamentally, there are only two economic systems possible, though there may be various mixtures of the two. These two systems are based on two ways of getting things done. One way is to offer a reward for what you want done; the other is to command some one to do it and punish him if he does not. Accordingly, one economic system is carried on by contract and the other by authority.

Of course a great deal of useful work is done for the fun of it. No one needs an economist to remind him of that. Work which is done for fun requires neither a reward nor a command. Doubtless it would be a nice world if every one could do only what was fun for him and, at the same time, get everything he cared for. Some like to go fishing, others to raise flowers and vegetables, others to tend poultry, others to make furniture, and so on. Each of these would doubtless be willing to give away his surplus, though he might have preferences as to who should receive his gifts. If, by this mutual giving of gifts, every want could be supplied, we should have a veritable Eden. But the serpent would again enter as soon as wants developed which could not be satisfied with labor that was fun. If our wants were very simple, if we did not multi-

ply too rapidly, and if we were so energetic as to love work, such an Eden might exist, at least in imagination.

Unfortunately (or fortunately) we do not live in a world of that kind. In our world, if there is to be produced even a small fraction of the things we want, a great deal of work which is no fun must be done. Some other motive must be found to get this kind of work done. There are only two effective motives: the hope for something pleasant and the fear of something unpleasant. The only two economic systems are based on these two systems of motivation.

Even a system of authority cannot be successful unless a great many other things go with it. The psychology of obedience must be carefully built up. Even an army requires "morale," the willingness to accept authority as inevitable, and to obey without question. Over this must be stern and relentless discipline, firing squads and other paraphernalia for maintaining discipline. They who think that our industrial system needs more overhead planning should realize what they are getting into. National industrial plans, without authority behind them, would be scraps of paper. Authority is ineffective without obedience, and the spirit of obedience has to be built up by extensive propagandist campaigns for creating morale. Some of us can remember how morale was created during the World War.

It is an evidence of the hard sense of the leaders of the Russian experiment that they do not blink at these conditions. We need not be too cocksure that their experiment will fail. They have at least adopted the one and only plan on which it could possibly succeed. An army, after the fighting is over, might turn to the production of its rations and other supplies and might succeed on one condition. If its commanders were sagacious planners and stern disciplin-

arians; if its workers were obedient and could be drilled to sing when they go to work as they did when they went to battle; if malcontents could be summarily shot, there is no physical reason why such an army should fail. So long as the Russians can maintain their "morale" by active and skillful propaganda, by firing squads and other military devices, they may produce their own rations and something more.

We need not waste time wondering if our system might not work more smoothly if we could deal as summarily as do the Bolsheviki with those who try to make trouble. They give their system a chance to show what it can do by disposing of those who try to block it, to overthrow it or even to talk about overthrowing it. Such speculation is futile, however, because our system would cease to be the same system when it became coercive to that degree. Nevertheless, no one can deny that our system is handicapped by the fact that any one is free to strike against it, to foment discontent with it or even to advocate its overthrow. It is probably too much to expect that these gentlemen who are so vociferously denouncing our system will appreciate their privileges. If they were to try the same tactics under coercive communism they would soon face firing squads. It would be like striking, disobeying or fomenting insurrection in an army.

The Soviet leaders realize perfectly well that their economic system is fundamentally different from ours and that it requires an entirely different morale. They are going about the creating of that different morale in a relentless and businesslike way, and they propose to make their people like it. If the people can really be made to like it, it will succeed after a fashion. Our people might have difficulty in learning to like it.

In opposition to the view here expressed, those Communists who are professed disciples of Karl Marx have

held that capitalism is only a transitory introduction to communism. Capitalism, according to this theory, results in greater and greater concentration of wealth and a greater and greater separation of workers from the ownership of wealth which they produce. When this process has gone far enough, and all the wealth has been concentrated in few enough hands, the dispossessed masses will merely take over the control of the system and communism will be established. It might come so peaceably in a democratic country that many people would scarcely realize that the revolution had been accomplished. They would soon realize, however, that the régime of contract had come to an end and the régime of authority and obedience had begun. Of course, in an undemocratic country, the revolution could succeed only by a violent overthrow of the government.

If it were true, as all Marxians insist, that the inevitable tendency of capitalism is to concentrate wealth in fewer and fewer hands and to force the masses into greater and greater poverty, their predictions as to the inevitableness of communism probably would be correct. Not only must capitalism give way to something else but it ought to do so at once. A system which produces such results ought not to last over the week-end. The sooner we are rid of it the better.

Consistently with this theory, Marx taught that the Communist revolution would come first in those countries where capitalism was most advanced. That was the only conclusion which could be drawn from his so-called law of the concentration of capital. His followers were so certain of this that they denied that Marx advocated revolution. He only discovered it, or the laws which made it certain. It is as foolish, they say, to accuse Marx of advocating revolution as to accuse an astronomer of advocating an eclipse when he predicts it.

If Marx had been right, communism

should have come first in the United States. Here capitalism is most advanced. When Marx wrote, capitalism was most advanced in England. There is where he looked for communism to come first. The United States was still an agricultural and not yet a capitalistic country. Communism should have come last, so far at least as Europe is concerned, in Russia where capitalism in its modern phase had scarcely begun to develop. The opposite is, of course, true. Communism came first in Russia and it very nearly succeeded in Austria, another non-capitalistic country. It threatened Italy, but was ward off by fascism. It even threatened Mexico, which can scarcely be classed as a capitalistic country. It seems least likely in the United States, Canada and Great Britain.

Yet the logic of the Marxians was inescapable. If capital is merely a means of exploitation, and capitalism is merely a system for the exploiting of labor, then it must be true that the more capitalism we have the poorer the masses must become. Labor must have been worse off in this country where there is so much capitalism than in Mexico, Austria or Russia where there was so little. All this is perfectly logical, but it does not happen to be true. The point is that the more logically you reason from a false premise the further wrong you go. The trouble was not with Marxian logic but with the facts from which it started.

Let us look at the facts. The world over, wherever there are the greatest accumulations of working capital and wherever industries have become most capitalistic, there the workers are best paid and most comfortable. Wherever there are the smallest accumulations of working capital and industries are least capitalistic, there is the greatest misery among the workers. Among non-capitalistic countries we must include, of course, China and India, Russia, Austria, the Balkans, Italy and Mexico. Among capitalistic coun-

tries, after the United States, England and Canada, we should have to include Holland, France, Belgium and Germany. It really looks as though there must be something wrong with the assumption that capital is merely a means of exploitation and that it inevitably tends to make the rich richer and the poor poorer.

Yet the thorough Marxian does not recede an inch from the position taken by his master. In *The Labour Monthly*, a British Communist journal, for January, 1932, the editor, commenting on the world situation says: "The laws of capitalist evolution to ever-increasing misery and ruin work themselves out with relentless completeness—all the more completely and relentlessly for every delay of the sole action that can turn the tide and bring in a new world today." This suggests the Millerite's certitude in predicting the end of the world and his refusal to be discouraged by the failure of his predictions. Using the present depression as a fulcrum, the editor of *The Labour Monthly* tries to move the world by the following:

"Look at the capitalist world today. Production still falls. Unemployment still rises. The sinister contradiction of ever-advancing technical power and simultaneously advancing poverty confronts capitalism with the accusing question it cannot answer. * * * The present crisis is, in fact, far greater and more fundamental than they yet guess. But our perspective of it is not theirs. We know that the overthrow of capitalism is no such simple matter; that it requires the most titanic and long-drawn struggle, action, organization and victory of the working class, and that until this is attained capitalism will still drag on from crisis to crisis, from hell to greater hell."

The converts to Islam were never more uncompromising in their affirmation that God is one God and Mohammed his Prophet than are the Marxians in their insistence on this "law of capitalist production."

Meanwhile, what is being done in a scientific way to test their theories? Economists pretty generally content themselves with analyses of price phenomena, with money, banking, credit, international exchange, balance of trade, tariffs, transportation and trusts. They give little attention to the underlying philosophy of any economic system, much less do they attempt to train students to analyze fundamental problems. A flood of radical literature flows from our printing presses, and it is apparently read. Really dependable works on economics deal only with the superficial aspects of our price system, and even these are not read. Radicals read only radical books and conservatives do not read any except those which entertain, wherein lies danger.

What is this thing called capitalism? Capital consists of all goods which help their owners legally to get an income. It includes all instruments of production and anything else which may be rented and hired. Where the owners of such things are private citizens, there is capitalism. Where they are owned in common, there is communism. Where some are owned privately and some in common, you have one of the many mixtures of capitalism and communism. At any given time and place there will be many accidental and superficial features connected with capitalism. Those who attack it are prone to define it in terms of these non-essential features. It is said, for example, to be a system in which production is carried on for profit. Not always. It may be a system under which production is carried on for wages—as when a laborer owns his own tools. Tools are capital, and where they are privately owned there is capitalism in the most fundamental sense.

Capitalism has really gone through three rather distinct phases. The most primitive is the one just referred to in which the worker owns his own tools as well as the raw material on

which he works. There soon develops alongside of these tool-owning laborers a class of merchants or peddlers, who live on traders' profits. The next phase is where these or other merchants own raw materials and hire workers to fashion them into more vendible form, the workers still owning their own tools. These merchant capitalists hope to sell the finished product for a profit, but the workers are also capitalists in that they own their own tools. The third phase is reached when the merchant capitalist owns not only the materials worked upon but the tools also. The raw materials are bought at a price, the finished product is sold at a higher price. Out of the difference wages and all running expenses are paid. If anything is left the owner makes a profit, otherwise not. Sometimes he incurs a loss.

The principal factor in producing the transition from one phase to another is the matter of expense, first, of raw materials, and second, of tools—including engines and machines. That is the outstanding fact in the third or present phase of capitalism. In this age of mechanical invention, with its powerful engines and huge buildings filled with roaring machinery, it takes thousands of dollars' worth of tools to equip each laborer where it formerly took a single dollar's worth. This has led to a differentiation between the working and the owning classes. To begin with, when tools were simple and cheap, one could not have owned enough of them to enable him to live on their earnings. This was not because tools did not earn anything. When they enable the worker to do more or better work, they add to his earnings. When he owned them himself he expected to earn more than he could without them. Some of these extra earnings would have to be attributed to his tools.

Since the age of mechanical invention the number and the size of tools

have vastly increased. It is now possible for one to own enough of such things to live on their earnings. It was the mechanical inventor, more than any one else, who brought about this change. Except for his contribution there has been no essential change in capital or capitalism. Tools have grown larger, more numerous and more expensive, but they perform the same functions as before. If they were productive before, they are even more productive now. If it was useful to make small tools then, it is useful to make large ones now. If the owner was entitled to something for their use then, he is entitled to something for their use now.

The fact that ownership and work are now more or less separated is an important social fact, but no more important than many other forms of specialization that have come with our industrial development. By far the most important aspect of this separation of ownership and work is psychological. It makes class consciousness possible. But anything which separates people into distinct groups, whether it be religion, race, color or cultural standards, produces the same kind of class consciousness. Wherever class consciousness exists, some one is pretty certain to play upon it for demagogic purposes, and therein lies the danger.

As to the productivity or usefulness of capital, that is testified to by the Soviets themselves. Why were they so frantic in trying to borrow capital except to increase the productivity of their labor? Whoever supplied them with the means of increasing their productivity was doing them a service for which they were willing to pay. They might almost as well pay their own people for this service as to pay foreigners. There is also the case of a Caribbean island where, for a long time, living conditions were hard and young people were leaving the island to find work. Then some American capitalists invested about \$2,000,000

in the sugar and banana industries. At once conditions changed. Work was plentiful, wages rose, ways of life improved, and immigrants began coming from other islands. Capital there supplemented labor, made it more productive than it had been, and paid it higher wages than would have been possible if it had remained a non-capitalistic island. Whenever American capital goes to Mexico, labor conditions at once improve. In fact, it is a general rule that where productive capital increases, wages rise and labor conditions improve.

This means that all Marxians fail to understand the true nature of capital. Instead of being a means of forcing labor to lower and lower levels it is a means of lifting labor to higher and higher levels. This is the reason there is more danger of communism in non-capitalistic than in capitalistic countries. It is more likely to come where the masses are in a state of misery than where they are in a state of comfort. They are always in a state of misery where working capital is scarce and labor relatively abundant. They are always in a state of relative

comfort where working capital is relatively abundant and labor relatively scarce. That is the sum and substance of this whole subject of capitalism.

In the last analysis, the condition of the masses depends upon the relative rates of increase of the two factors, labor and capital. Where labor increases faster than capital, laborers are in a weak position and poorly paid. Where capital increases faster than labor, labor is in a strong position and relatively well paid. This is true in both communistic and capitalistic societies. Until communistic Russia increases her capital equipment her laborers must of necessity be poorly paid, fed and clothed. Whenever she succeeds in supplementing her vast supplies of labor with adequate supplies of working capital, the condition of the masses will improve. The same is true of capitalistic countries. In capitalistic countries, small supplies of capital put the capitalists in a strong position. Increasing supplies intensify competition among capitalists and put them in a weaker position. Laborers gain as a result. And so it goes, the world round.

The Shift in Irish Leadership

By STEPHEN GWYNN

[Stephen Gwynn, critic, historian and poet, for twelve years represented an Irish constituency in the British House of Commons. For the final results of the election in the Irish Free State on Feb. 18, which were not known when Mr. Gwynn wrote the article that follows, see Professor Brebner's article in "A Month's World History," elsewhere in this magazine.]

WITH the single exception of Masaryk in Czechoslovakia, no elected head of a State in post-war Europe has held office for so long a period as William T. Cosgrave, President of the Irish Free State. Moreover, in his ten years of power he has lost no colleague of importance—with the tragic exception of Kevin O'Higgins, assassinated five years ago. He has kept together a team of young men who have established order where they found anarchy; who have so governed that Ireland's national credit in its own small measure stands equal with Great Britain's and that unemployment is relatively lower than that of any other European country. Moreover, Ireland has now for the first time the prospect of a distinct advantage—one pound in ten—over her chief competitor, Denmark, in the British market. The Cosgrave Government has obtained assurances that tariffs in England shall be operated in a spirit friendly to Ireland, although the Free State's complete freedom of action as a Dominion and complete equality of status have been asserted persistently and successfully.

Yet, even before the recent election it was plain that President Cosgrave's administration was not popular. It was supported from interest, not from affection. On the other hand, Eamon de Valera, who certainly has con-

ferred no benefit on Ireland since the treaty establishing the Irish Free State was signed in 1921, and who was chiefly responsible for plunging Ireland into civil war ten years ago, enjoys great personal prestige. He appeals to the popular imagination.

As far back as popular memory goes, Ireland has been accustomed to leaders who made a romantic appeal—leaders permanently out of office, receiving for themselves and their followers only a bare subsistence allowance, and pledged never to accept any State-paid post; they were paid in loyalty. Not only Parnell but his lieutenants, Dillon, O'Brien, Healy and Redmond, received an allegiance like that of clansmen to their chieftains. They were all eloquent, their faces and voices were known in every corner of Ireland. When contention came between them, it was a contention of clans.

After the World War, Redmond was dead; Dillon, in opposition to the new movement, was swept aside; O'Brien retired into private life; Healy, whose following had been the smallest, alone remained before the public; but he, like O'Brien, left leadership to the new men.

The actual leaders of the 1916 rebellion, Pearce and Connolly, had been executed; but out of the group who were prominent in that rising, the rebels and suspects interned together by England chose Eamon de Valera as standard bearer. When John Redmond's gallant brother was killed in France, de Valera was sent to contest the vacant seat and won it against the Irish party. From that time on he became a legend as well as a personality. When the active struggle for inde-

pendence was resumed in 1919, his name was a flag. Arthur Griffith counted, too, for he was the spiritual father of the movement; and as the struggle went on, another man became known everywhere—Michael Collins. Yet de Valera was more a legend than a man, since the war, driven underground, was a secret, dark affair of ambushes.

Then, in 1921, came the possibility of peace on terms short of complete independence, with separate status for Northern Ireland. Griffith and Collins accepted the treaty to the enthusiasm of Ireland; de Valera opposed it.

Six months of provisional government followed, while the country gradually drifted into civil war, and then suddenly, within ten days during August, 1922, Griffith died and Collins was shot. Power passed almost accidentally into the hands of Mr. Cosgrave, whom Griffith had chosen to be Vice President. He could dispose of the group of young men whom Collins had selected for his colleagues in administration. Chief of these were Kevin O'Higgins, Richard Mulcahy, Ernest Blythe, Desmond Fitzgerald and Patrick Hogan.

None of this group was much over thirty, some were under. The only two whose names were widely known were Desmond Fitzgerald, who had been in charge of propaganda, and Mulcahy, who had been Chief of Staff of the Republican Army. But to Ireland at large they were names only. Mr. Cosgrave, alone of the Ministry, had been in public life before the World War as Sinn Féin member of the Dublin Corporation; and he had commanded one of the posts during the 1916 rising. But, broadly, Ireland knew little of him.

When the first Dail met in the Autumn of 1922, it met under heavy guards; and for almost a year Ministry and Parliament alike functioned in a sort of fortress. Civil war went on while the Constitution was being framed—a struggle between two sections of the organization that had

resisted England's armed forces, and a struggle of even greater bitterness, conducted in the same way by ambushes and assassinations. In the Dail, those members who adhered to Mr. de Valera refused to attend, objecting to the oath of allegiance stipulated in the treaty. In spite of a small Labor group and a few Protestant independents, there was virtually no opposition. In May, 1923, civil war ceased, to the extent that Mr. de Valera called on Republicans to disband and to lay aside—but not to surrender—their arms. An election was held under the Constitution, at which Mr. de Valera's following won a proportion of the seats not much short of that held by the government.

But since the Republicans refused to take the oath necessary for admission, Mr. Cosgrave and his young men governed with no effective opposition to hamper them. Between 1923 and 1927 they not only established complete order but popularized their new police force, the Civic Guard, and reformed and reduced the permanent army; provided the country with a system of first-class roads, introduced sugar-beet growing on a large scale, with the help of a moderate system of protection, and undertook a bold scheme of providing Ireland with a substitute for coal by harnessing the Shannon. Meanwhile Ernest Blythe, Minister of Finance, was pulling the country's disordered finances together.

It was a period of desperately hard and fruitful work conducted by a group of men who virtually held dictatorship in commission. Parliament existed only to register their decrees. They were under no obligation to defend or popularize their policy; and much of their action was high-handed. They tended to concentrate power in a bureaucracy; they replaced the inefficient and extravagant municipal corporations by commissioners, thereby vastly improving administration; in certain cases, before the municipality was re-established, with lessened powers, they temporarily suspended coun-

ty councils. And behind all this lay the record of their executions—seventy-seven Irish Republicans, shot as political offenders. No British Government had ever been anything like so enterprising or efficient; but none had been so high-handed.

In addition, the country which depended almost entirely on agriculture felt the general depression; and a series of locally bad seasons helped to lower men's spirits. The result was discontent. Only one element in the country was fully conscious that the government had rendered great service—the Protestant business men. From the first Mr. Cosgrave, following Griffith's policy, had given them full consideration, which they returned with a support based on a sense of their own interest. But by no means the same attitude was adopted toward the very large number of Irishmen who had been supporters of Redmond and the Irish party, and among them ill will was prevalent.

The result was seen in June, 1927, when a general election fell due. The government party secured only forty-six seats in a House of 153; Fianna Fail, Mr. de Valera's following, had forty-four. The balance of sixty-three was divided among various groups, of which Labor, with twenty-two, was the largest, and a new party, reviving the old name of Nationalist, and headed by John Redmond's son, had eight. Since Fianna Fail still declined to take their seats, all seemed likely to go on as before, when a horrible event changed the face of affairs. On Sunday, July 10, 1927, Kevin O'Higgins, the Vice President and Minister of Justice, was murdered on his way to mass in a Dublin suburb. He was by general consent the ablest and most forceful of the young men who composed the Ministry. Not only in Ireland but in the meetings with English statesmen and at the Dominion conferences he had come to be recognized as a growing force; not an orator but a speaker who had the gift to seize the essentials of an issue and put them

in a few trenchant phrases. Like half a dozen of his colleagues, he had been educated at the Dublin College of the new National University and trained for a profession—in his case the law—but had gone straight from college into the revolution. As Minister of Justice, he had been specially responsible for the executions.

The murder of O'Higgins was denounced and disavowed by all parties, and even by the hidden organization of the I. R. A. (Irish Republican Army). Yet the assassins escaped. It was characteristic of Irish mentality that one of Mr. de Valera's colleagues who denounced it was challenged: "Would you help to detect?" "Do you want me to turn informer?" was the answer.

No one knew what would happen next. Mr. Cosgrave introduced and passed rapidly a public safety act giving the widest powers to arrest on suspicion and to hold trials without jury. But also determining to involve the main opposition in responsibility for government, he passed a measure under which no candidature for Parliament would be accepted unless the candidate declared willingness to take the prescribed oath if elected. Faced with the alternative of seeing his party denied all power to register the amount of popular support extended to them and being set on a constitutional movement, Mr. de Valera decided to submit, and, having declared publicly that he and his attached no binding force to an oath so taken, Fianna Fail entered the Dail on Aug. 12, 1927.

Four days later a motion of no confidence was proposed by the Labor party acting in concert with the National League, the project being that Mr. Johnson, the Labor leader, and Captain Redmond should form an administration, which up to a point Fianna Fail was willing to support. Defeat for Mr. Cosgrave seemed certain, but at the critical moment one of Captain Redmond's followers bolted and the result was a tie. The Speaker gave his casting vote for the government on

the double ground that in such a case he should so vote as to give the Dail a second opportunity for deciding, and also should if possible preserve the status quo. Mr. Cosgrave used his reprieve to demand a new election, which increased his following to sixty-one, and that of Fianna Fail to fifty-seven; the smaller groups losing heavily, especially Labor and the National League. Six of the Farmers party were returned and decided to make common cause with the government. Twelve independents gave virtually a constant support. But Labor and Fianna Fail, combined, made 70 in a house of 153.

In 1929 little of importance happened except that the works on the Shannon reached completion and power began to be supplied. This enhanced Mr. Cosgrave's prestige and that of Mr. McGilligan, the Minister for Industry and Commerce, who had been in charge of this work. He was another of the young university men who had shown a remarkable gift for administration. The Department for External Affairs had been linked with that of Industry and McGilligan, since the death of O'Higgins, had been specially in charge, also, of the attempt to define Ireland's national status within the British Commonwealth.

But the Parliamentary situation remained precarious, and in the Spring of 1930 Dr. Ward, a Fianna Fail member, proposed to restore old age pensions which Mr. Blythe had reduced to a figure below that prevailing in Great Britain and therefore, also, in Northern Ireland. Labor supported Fianna Fail, some Independents abstained, and the government was beaten by two votes. Mr. Cosgrave promptly resigned. Thereupon, Mr. de Valera was proposed, but Labor declined to support him on the ground that he did not explicitly acknowledge the authority of the Oireachtas (Parliament) and might therefore endanger the foundations of the State. Mr. O'Connell, the Labor leader, having then been proposed, received no support from Fianna Fail, and Mr. Cos-

grave, proposed in turn, was re-elected President—Labor abstaining—and proposed his previous Ministry for re-election.

It was a tempest in a teacup. That same year a new loan of \$30,000,000, bearing interest at 4½ per cent, was issued at 93½ in Dublin and taken up mainly by Irish subscribers. The year, also, saw the initiation of a plan by which Irish purposes have been largely financed from abroad. A bill introduced by private members to legalize sweepstakes for the benefit of Irish hospitals was left to the free vote of the house. Mr. Cosgrave and Mr. de Valera, both devout and almost Puritan Catholics, voted against it, but it passed and the results are universally known. No party could afford to move for its repeal.

The government considered that they had gained distinction when the Irish Free State was elected to a temporary seat on the Council of the League of Nations. Still more important from their standpoint was the Statute of Westminster, passed last Autumn by a Tory Parliament, which recognized the complete right of the Free State to legislate on all matters and in contravention of any British statute. But it must be said that these questions of international recognition and status have not touched the popular imagination in Ireland. The only romantic gesture which gains applause is an act of defiance to Great Britain. Mr. Cosgrave cannot do this, but he has offered security and prosperity, and Ireland is anxious for these, yet still dislikes the word coercion.

At the end of 1929 the public safety act was allowed to lapse and by 1931 the consequences were apparent. The I. R. A. resumed its illegal drilling and threatened those who interfered. On the hills five miles from Dublin a couple of Trinity College students out walking were menaced and then fired on. Near the scene, a large dump of arms was discovered, but the men traced as responsible for it escaped conviction repeatedly by disagreement

of the jury. Matters were worse in the country. A police superintendent who had secured the conviction of men for illegal drilling was shot dead outside his house. A lad who had given evidence in another case was taken out and shot; in his case the coroner's jury simply returned the verdict "died of gunshot wounds." Jurors had been taught that they took a risk by finding "murder."

Mr. Cosgrave decided to act forcibly, and last Autumn brought about the passing of the Constitution Amendment act for setting up military courts to try such cases with almost unlimited powers and no appeal. This was followed by a pastoral from the Catholic Bishops denouncing secret societies and calling on young men to come out of them. The effect was surprising. No attempt at resistance was made. Quantities of weapons were handed in. Many men publicly owned their membership of these associations and renounced it, thus proving that the secret societies had lost their power to intimidate. Very few heavy sentences of imprisonment and no death penalties were inflicted; and order was restored.

From that time on Mr. Cosgrave governed with a narrow majority and an implacable opposition. The result is that the last five years of his administration have been far less fruitful than the first. Very little that is new has been initiated. All the characteristic measures date from the earlier period—the formation of the Civic Guard, the reconstitution of the legal machinery, the organization of the national army, the launching of the Shannon scheme, and even the measures which have had most effect on agriculture. Thus, in 1925, power was secured to require a license for all breeding bulls in order to weed out inferior strains. In the same way regular inspection of butter and eggs exported was set up with heavy penalties on any shipper of inferior articles. These laws were passed when there was virtually no opposition; the

administration of them has been continuous and effective, and the improvement in Irish live stock has occasioned a demand in the British Parliament that Dublin's example should be followed.

Another decisive step lies outside the period which I have to chronicle; the negotiations for a revision of the border between Ulster and the Free State led to an award which pleased no one, and it was decided to make no change. As compensation, Great Britain waived her claim to exact from Ireland a proportion of the National debt, and as a result the Free State is clear of all commitments except its own borrowings. The effect was seen in December, 1927, when a Second National Loan of \$35,000,000, floated in Dublin and New York on terms representing less than 5 per cent interest, was oversubscribed in a few hours.

In 1928 the new orientation of Free State policy became openly defined under the challenge of active opposition. When the treaty was accepted, Collins agreed to it as the stepping stone to a republic. Not only Mr. Cosgrave but Mr. Blythe, the Finance Minister who had succeeded O'Higgins as Vice President, Desmond Fitzgerald, Minister for Defense, and General Mulcahy, Minister for Local Government, had been closely associated with Collins. But in 1928 Mr. Blythe said publicly: "We believe that this country within the British Commonwealth of Nations can enjoy greater freedom and security than outside it." The effort was now directed to drawing the maximum of independence from the position accorded to the Free State under the treaty, which was defined as equal to that of Canada.

One claim had been staked out in the beginning of 1927 when Mr. Healy, the first Governor General, ceased to hold office. The Free State claimed to nominate his successor, and James MacNeill, formerly of the Indian Civil Service, brother of Professor MacNeill, a leader of the Irish revolution and of the Gaelic movement, was

put forward and accepted; he had been High Commissioner for the Free State in London. Another assertion of status was the appointment of representatives to foreign powers—a gesture which was first reciprocated by the United States which appointed Fred Sterling as its Minister. There followed, in 1930, the appointment of a Papal Nuncio and of Ministers from the Governments of France and Germany. Other powers were content to have a Consul General, but Dublin has for the first time become a diplomatic centre.

Separate status was asserted in another way by the introduction of a distinctive coinage, identical in value with the English, and distinctive notes. These circulate in Ireland side by side with English money and are cashable at banks in Great Britain.

Mr. de Valera, on his part, held fast to the separatist ideal, and as a first step proposed to abolish the obligatory oath. This clumsy formula has no merit in itself, but, beyond yea or nay, the Article of Signatories to the treaty stipulated its enforcement. Mr. de Valera, however, proposed to proceed by a clause in the Constitution which gave to the electorate a power of initiating legislation. The government retorted with a measure which removed the clauses establishing the initiative and the referendum. As the Constitution remained open to amendment by act of Parliament till 1938, this was possible and the general desire to avoid a break with Great Britain ensured its passage.

Nevertheless, the effect had been to unite all the Republican parties into a joint effort on the one line which remained open—that of the ballot. Mr. de Valera's main body, Fianna Fail, was the right wing of the movement; another, Sinn Fein, avowed constitutional means but denounced him for entering the Dail; to the left was the I. R. A. organization, and still further to the left was the extreme group called Saor Eire, definitely touched with Communist and anti-clerical

views. Many of them had despised the ballot box; but now all were swung into line.

In a sense the government helped them. Two of its leading members, Mr. McGilligan and Mr. Hogan, were extremely violent in controversy, and in their administration they had made many enemies. Mr. Hogan, a young Galway man, whom Sir Horace Plunkett has described as "the ablest Minister of Agriculture in Europe," alienated the farmer whose inferior bull he rejected, the careless butter maker and exporter or egg dealer whom he fined for attempting to send out bad produce. His administration interfered drastically with all Irish life. Mr. McGilligan was responsible for the Shannon scheme, and though the work was carried through within the stipulated time and the demand for electricity exceeded anticipation, the arrangements for distribution were less than satisfactory, and within the last six months the promised rates have had to be raised. Mr. Blythe, again, a Protestant northerner, unconciliatory in manner, has been obliged to offend with his economies; and with a courage and honesty very characteristic of this government, which never played politics, he reduced army pay, police pay and civil service pay on the very eve of the election.

It is a fact, too, that none of these young Ministers has created a personal attachment. They were unknown to Ireland till they became the government, and government is traditionally unpopular in Ireland. Mr. Cosgrave alone, and that only of late, has acquired personal popularity. Nobody could be more representative than this shrewd, good-humored, fair-haired little Irishman, representative not of agriculture nor of the countryside, but of small business, the great middle class of Ireland, devout but not ascetic, a keen sportsman, not book cultured but with an intelligence that has fed—as did that of Lloyd George—on the stuff of high employment. At

the recent election his personal success was as marked as ever.

Mr. de Valera, on the other hand, appeals to romantic imagination. Like the traditional Irish leader, he has always been in opposition; he has never lowered the abstract national claim. His personal character in all respects shows high and he has never stooped to abuse. Many people in Ireland have long been anxious to see him in power because they feel that the apprehension of what he may do is more injurious to Ireland than anything that he is likely to do; indeed, there is little he will have the power to do by constitutional means with no clear majority in the House.

But it is necessary to remember that the two main parties have between them savage memories of the civil war. If the next six months pass peaceably, Ireland's feet may at last be set on a clear road. This is not the place for prophecy, although two additional points should be noted. Mr. de Valera has committed himself specifically to refuse payment of the annuities which the Irish Government

collects from the tenant purchasers of land bought under British land purchase acts. These transactions were financed by stock issues which are held by private persons and corporations but are guaranteed by the British Government—which therefore will be placed in the position of having to make good the payment.

The other point is more general, Mr. Cosgrave's administration introduced a selective system of protection; Mr. Hogan, particularly, argued that Irish farmers, who comprise three-fourths of the population, had no competing imports to fear, and must suffer if the price of manufactured articles were raised. Mr. de Valera is committed to a drastic system of tariffs, which will aim at making Ireland manufacture all she needs. But in this as in other matters, he cannot command Parliament, nor has he a majority in the Senate, which has a power to delay legislation on all matters other than finance.

On all accounts the future is interesting.

DUBLIN, Feb. 23, 1932.

Mussolini Turns to Thoughts Of Peace

By W. Y. ELLIOTT

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OF the Protean transformations which have allowed the most radical revolutionist of the old pre-war Italy to become the pillar of capitalism, Church and State, Premier Mussolini has recently offered yet another instance, the most surprising of all his *volte-faces*. Through Signor Grandi, his Minister of Foreign Affairs, and in his own broadcast speeches to the world, he now mounts sweetly on the wings of the dove of peace. It is hard to forget that he used a few short years ago to talk of nothing but guns and ships and airplanes that would "darken the sky." What accounts for this complete boxing of the compass? Is it strategic or sincere?

To speak of sincerity in relation to the head of the Italian Government is to introduce a difficult problem in psychological motivation. To all appearances, he can be sincere, even violently sincere, in advocating policies today which yesterday were such heresy as to be dangerous in Italy. In 1922 he was, according to Fascist legend, the savior of Italy from Communism and the great foe of Moscow. By 1925 he had begun economic relations with Russia, and in 1932 no power seems to be on more cordial diplomatic terms with the Soviet Union than is Italy. In 1923 he was the great hope of M. Poincaré as an ally in squeezing reparations out of Germany by the Ruhr adventure in coercion. Less than a decade later he has pronounced the need of revising all the inequitable treaties of peace

that were made at Versailles and elsewhere. He has declared, within a few months, the impossibility and implied the injustice of reparations, and his journal, the *Popolo d'Italia* of Milan, has gone to the extreme of urging the need of washing the European slate clean of all the liabilities of the war.

In a kindred matter that affects Americans very nearly, the question of the allied war debts to this country, Mussolini's change of front has been equally abrupt and decisive. Count Volpi, formerly of the Banca Commerciale, and the second Finance Minister in the list of those so far "rotated" under the Fascist régime, secured a debt settlement with the United States which, in 1926, was accounted a diplomatic triumph. The Italian Government was allowed a settlement far more favorable than that accorded even to France. Substantially, only money borrowed after the cessation of hostilities was to be repaid. The Fascist Government hailed this victory as its greatest achievement, a more substantial one than out-facing the League of Nations after the bombardment of Corfu. And in fact important practical results began at once to flow from the debt settlement—Italian loans, public and private, were floated on the American market until the saturation point was reached in late 1928.

But Mussolini has now seen the error also of trying to pay allied war debts to the United States. He concludes, if the officially inspired *Popolo d'Italia* represents his own views, that

the moral pressure of isolating the United States by an internal European cancellation of reparations claims would irresistibly force us to forgive Europe the war debts. It is true, however, that a subsequent issue of that journal has watered down this claim.

On all these major issues of foreign policy, the Fascist policy has, within a decade, been sharply reversed. Is it to be wondered at, then, that from the greatest builder of armaments and the arch-imperialist of Europe, Mussolini has become the most drastic proponent of disarmament and world peace?

The simple and obvious explanation that perhaps lies behind this change from warlike gestures to offers of drastic reduction—"equalization of armaments at the lowest level"—is the parlous state of Italy's finances. The load of taxation is as heavy as the national economy can bear, indeed, far heavier on articles of general consumption than that of other countries, if relative wealth be considered. Italy's power to borrow abroad has been exhausted, and even the drastic Fascist methods of raising internal loans can produce no real increase in revenue. Consequently, with a budget that was almost \$50,000,000 out of balance last year and a deficit that is already about \$85,000,000 for the first half of this fiscal year the government must reduce something.

As military, naval and air armaments constitute about 25 per cent of Italy's total budgetary expenditure of about \$1,200,000,000, it is clear that a slash here is indicated. A rough comparative calculation indicates that France spends only about 23 per cent of her receipts on armaments, the United States about 17 per cent and Great Britain a little more than 14 per cent. The figures for Italy do not include the expenditure for the special Fascist militia and the other forms of subvention to excessive police forces, really military in character. Nor do they include the

ever-increasing burden of the merchant marine, which the State must save from bankruptcy if it is to preserve an auxiliary naval arm. To maintain nearly 500,000 men regularly under arms is a terrific burden.

In short, Fascist Italy is finding that the price of Roman grandeur comes beyond its powers of payment. A parity with France, dictated by prestige, is out of economic reach. Yet, beyond Grandi's safe offer to pare to the bone—if only every one else will do likewise—no effort has actually been made to reduce expenditures for war-like purposes. Grandi's proposals at Geneva on Feb. 10 to abolish capital ships, aircraft carriers, submarines, heavy artillery, all kinds of tanks and bombing aircraft reads like a list of those arms in which Italy cannot hope to compete with France without inviting bankruptcy. After the recent air manoeuvres over northern Italian cities, Italo Balbo suddenly affirmed the necessity of a new building program to defend the helpless civilians, incapable of being protected by the second largest air fleet in the world.

After some readjustments in military and naval expenditures the budget for the present year shows a decrease of only a few hundred thousand dollars in the total cost of maintaining Italy's armament. Italy's increase of 186,000 men over her pre-war footing is the largest of any power, and she has 300,000 Fascist militia in reserve as well as a system of practically universal military training for the youth of Italy in the Fascist organization. Her direct expenditures on armaments are 50 per cent greater than in 1913.

How much, then, does the change mean from the imperialist tone that threatened Austria and Germany from the Brenner Pass, that openly declared irredentist ambitions on Corsica and the Nice and Savoy coasts of France, to one of sweet reasonableness? What reasons are there other than those of economic strategy?

It may be that the pegging of the lira by an international banking consortium is no longer resorted to. The official claim is that the lira is on its own feet and maintains its value without artificial aid. But Mussolini knows that any widespread loss of confidence in the value of the lira would destroy his painful effort to keep it for purposes of prestige well above the franc. He knows, too, that the threat of a war or the prospect of one would be ruinous to Italy, which could not without vigorous and powerful allies support a first-class war for six months. He has changed his tone.

Is this the end of the "imperialist" period of Fascism? Were all Mussolini's sallies to Tripoli and those of his Ministers to Tunis and the warlike words spoken to France merely intended for domestic consumption? Has he been creating a "nuisance-value" heretofore in the Micawber-like hope of something turning up—a willingness of France to share Tunis? Or Belgium or Portugal some other African colony? A mandate from the League—and over what? In any case, for the moment at least, one hears less about Italy's divine right to expand, less about irredentist movements to reclaim the million Italians lost to France by emigration and settlement in the "ancient Italian provinces." There is less flag-waving over the upper Adige and the Trentino, less open coveting of the opposite shore of the Adriatic and the coasts of Dalmatia. The perfervid shifting of combinations against the Little Entente seems to be temporarily in abeyance, and Italy joins Germany in demanding treaty revision and the maximum of disarmament.

The history of Italian foreign policy shows that, even with a less inconsistent guide than Mussolini, the era of Italian imperialism could not be regarded as finished by Grandi's addresses to foreign policy associations, to the press, and at Geneva.

Italy is a very prolific nation, endowed by nature with a homeland ill

suited to the intense industrialization necessary to support a constantly increasing population. She has practically no coal and iron deposits worth considering. The same pressure from an expanding people, cut off from the usual outlets by immigration restrictions, inevitably makes itself felt. The wine of new nationality poured into the old bottles of a long settled race is working heavily.

Since the time of Crispi Italy has cast about for suitable colonial outlets. The old Italian colonies of Eritrea and Somaliland are incapable of supporting European colonization on any scale. Cyrenaica is not much better. Italy, backward in seizing Tunisia, had the mortification of seeing France act instead and take over, by that coup in 1881, the large Italian colony settled there. The stroke made Italy's entry into the Triple Alliance inevitable, and turned Crispi into a prototype of Mussolini. Crispi's own subsequent adventure in trying conclusions with Abyssinia, however, resulted in the mortification of the defeat at Adowa in 1896. The rankling of this national humiliation was undoubtedly one of the main factors in forcing Giolitti into the struggle with Turkey over Tripolitania in 1911. Though that was a short and not very glorious war, it served to give Italy a foothold in Northern Africa from which she has pushed stubbornly inland, occupying unprofitable oases and subduing rebel Berbers, with perhaps an eye ultimately on penetrating to Lake Chad; or, if alarmists are to be believed, of pushing on to the Belgian Congo.

But imperialism has not been the dominant note of Italian foreign policy. Most of her Premiers and Foreign Ministers have been too conscious of weakness to invite trouble. Depretis is credited with that classic remark, "When I see an international question on the horizon, I open my umbrella and wait till it has passed." The conciliatory policy of the Italian Foreign Office oscillated uncertainly in the

balance with excursions like those against Abyssinia and Turkey. Chained to Austria, because as Bismarck had told the Italian Government, "the way to Berlin lies through Vienna," no Italian Government could be violently irredentist about Trentino and the Austrian Adriatic littoral before the war.

After the war Italy emerged from the peace conference with no substantial colonial gains, and smarting under the loss of Fiume. Fascism owed a considerable part of its early support to the imperialist sentiment that supported d'Annunzio's rather opera bouffe "conquest" of Fiume. Mussolini identified himself whole-heartedly with this "fruits of victory" patriotism. He promised to bring Yugoslavia to heel and show a formidable set of teeth to any interference from the powers.

The treaty of Santa Margherita did not secure all that he wished, but the early period of fascism did capitalize the "nuisance value" of the intense, newly awakened sense of national importance to make several advances in prestige. The Corfu incident was generally interpreted as showing in the first crucial instance that a determined world power could face down the League, at least during the crisis. In December, 1925, Fascist Italy obtained from Egypt some cessions of territory previously in dispute—certainly with the benevolent accord of Great Britain. Sir Austen Chamberlain went himself to Rapallo and to Leghorn—at last the mountain to Mohammed! The accord between Italy and the Imam Yahia, chief of the Yemen, gave Italy not only some commercial relations of possible importance, but the possibility of a foothold on the other side of the Red Sea. Great Britain, apparently still benevolent, concluded a joint accord for future action regarding Abyssinia, against which Ras Tafari felt it necessary to protest to the League. Even France has adopted a notably conciliatory attitude toward the Sicil-

ians in Tunisia, allowing them what amounts to the cultural privileges accorded to minorities by the peace treaties of 1919.

Of really solid work toward extending Italian control, Mussolini has to his credit only the making of Albania under King Zogu into an Italian sphere of influence—really a protectorate. Before the general collapse of governments with the credit structure he had made some headway toward bringing Hungary into his orbit. But now Bethlen has fallen, as Pangalos did in Greece, before results could be hoped for from Italian loans for war materials. The dubious combinations of Rumania and Bulgaria and Hungary, as a counterpoise to French influence over the Little Entente, have crumbled along with Italy's inability to rival France as a financial power. Fascist Italy has had an obvious flirtation with Germany, which resulted at least in better relations between Italy and Austria. Bruening has visited Rome, and Grandi has gone to Berlin, but unless Hitler upsets the whole European appletart, Germany is not likely to try a combination with an ally of whose previous bad faith she has such painful memories.

Mussolini's foreign policy suffers from the fertility of his journalistic imagination. The Fascist foreign policy, having no fixed aims or points of orientation, leaves all who deal with it profoundly dubious of the possibility of counting on it. M. Averescu's treaty with Italy hardly commands general or even effective support in Rumania. Yugoslavia is distinctly hostile, on account of the treatment of Slovene minorities in Italy and the Italian *démarches* in Albania. Czechoslovakia and Greece are distrustful. The other Balkan States can hardly be counted on to back Italian policies, though they listen politely and accept favors.

Simply because Italy can gain its colonial ends of African expansion only if Europe again be embroiled, she

is still today the dangerous factor in Europe — useful to Great Britain at times to hold France in check, but perilous if Hitler should be encouraged to precipitate matters.

No one who has studied Mussolini's frankly Machiavellian diplomacy can have any confidence in Grandi's professions as representing a genuine change of heart. He opposes the French thesis of "security first" because it would bolster up the status quo that Italy dislikes and because it is French. The gospel of force and the sacredness of violence are engrained in the Fascist ideology. Its actual practice is a possibility that bankers do not care to consider, and in order to be a "good risk" one must give certain assurances. But Fascism knows no other ends than a greater Italy. Birth control is profoundly abhorrent to Fascists. The right of vigorous breeds to inherit the earth is part of their inmost thought, which they have often been tactless enough to express in the most positive terms.

On this point, that is opposition to all neo-Malthusian methods of keeping down the birthrate, Mussolini and the Pope see eye to eye. The Lateran Accord, expensive as it was to the Italian State, not only in the money indemnity of about \$85,000,000, but in permitting Church control of education, brought precious support to the Fascist régime. If Mussolini's recent visit to the Pope smacked of Canossa, it had probable ulterior motives such as the assumption by Italy of the protection of Catholic missions, a rôle, of value in prestige, hitherto assigned to France.

Today Italy speaks again with the

voice of conciliation because she is not able to compete for allies or in economic strength with France. But Fascist Italy, more and more educated in a policy of combative nationalism, can hardly begin to "roar you like any suckling dove" without a bass undertone to the falsetto. Discipline and order can not be made ends in themselves without some danger that the ceaseless preparation of all the youth of Italy against "the enemy" may one day find a mark.

It is probably fanciful to see, as some French critics do, Italian foreign policy directed consistently at some fixed objective like the Belgian Congo or the African territories of Portugal. In its essence it is too opportunist to have a fixed aim. Probably the very wealth of possibilities created by the improvising genius of Fascist imagination constitutes an embarrassment of riches. But it is certain that the Fascist policy, so long as it is guided by Mussolini, is to be ready for hopeful auguries. And that readiness implies the schooling of the eager youth of a nation in arms.

In the long run the allied countries of the last war might render themselves as well as Italy a real service by opening up their colonies in a genuinely unrestricted way to international development, in which both Italy and Germany might share. But they are hardly ready to give up territorial control to Italy unless the price paid is commensurate with the rather absurd estimate current among world powers of the loss of national prestige involved in the transfer of territories, many of which are of problematical economic value.

Why America Rejected the League

By ALLAN NEVINS

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IN the current period of depression, with everything from Presidents to pounds sterling at a discount, it is natural that the League of Nations should be lower in prestige than for several years past. Its stock has dropped along with all other securities and efforts at security. As the first impulse of a financially pressed individual is to withdraw from clubs, church and charitable organizations and concentrate his energies upon his own problems, so the first impulse of frightened nations has been to veer away from all forms of international effort. It is not that there is little faith in the League or its powers of continued growth, but that there is little surplus energy for its activities. The war in the Far East came at a moment when the member-nations of the League were crippled and immobile, and the timidity with which each capital regards any new risk or expenditure has been transmitted to Geneva. But the fact that in a plague-smitten city all forms of communal effort cease while the inhabitants flee does not mean that they will not be resumed when the epidemic dies. After the present crisis passes and the nations cease to cower behind tariff walls and gold reserves, the League will regain vigor.

One disagreeable feature of the present situation is the tendency of many Americans to seize upon it as an excuse for saying "I told you so." Whenever the League succeeds they keep silence; whenever it fails or shows weakness they point the finger of scorn. After the Italian bombardment of Corfu, after the invasion of the Ruhr, after the attack on Shang-

hai, they hastened to exclaim that this proved how lucky we are to be outside the impotent and blundering organization. Even Governor Roosevelt, with painfully obvious motives, thinks it a fit time to attack the League as having wandered from its original objects. The fact is that a good deal of this readiness of Americans to seize on League shortcomings springs from an uneasy conscience. The critics are aware that we have played far from a heroic rôle in relation to the League. They would like to find excuses for our none too noble record in the past, and for continuing a timid course in the future. Talk about the League's "failures" is a cheap and easy way to forget our own.

The present is, therefore, a happy moment for a book which recalls two cardinal facts, and enforces one of them with a wealth of detail: first, that the methods by which American rejection of the League in 1920-21 was accomplished constituted about as seamy and mean-spirited a transaction as has occurred in our history since the rejection of the Lincoln-Johnson plan of reconstruction in 1866-67; and second, that the League somehow survived four years of initial weakness and grew strong in spite of neglect by Americans and distrust by old-school Europeans. The book which sets forth these facts is Professor D. F. Fleming's admirable *The United States and the League of Nations, 1918-20* (New York: G. P. Putnam's Sons, 1932. \$5), a thoroughly documented work of more than 500 pages. Neither fact is pleasant for the "I told you so" group to contemplate.

Any critical scrutiny of events in

the Senate in these two years shows a glaring amount of intrigue, hypocrisy, partisanship and prejudice, and an even more glaring lack of generosity and courage. Not all the blame rests on one side, for Woodrow Wilson may justly be taxed with some errors and his advisers with more; but by far the greater part of it must be placed on one particular group of treaty opponents. The fact that the League triumphed over its early difficulties is an earnest that it will rally successfully from later periods of inaction and discouragement. If it did not now exist it would have to be invented anew, and immediately, on much the same lines which it now follows.

It may be objected that Mr. Fleming's careful volume is somewhat premature. The evidence is yet in large part unknown, and will remain so until the whole generation of statesmen prominent in 1918-21 have passed from the stage and their papers have become public property. It is as if a historian had essayed to untangle the skein of reconstruction in 1875. Little is known yet, except through select documents presented by Lodge in his book, *The Senate and the League of Nations*, and in the biography of George Harvey, of the inner operations of either the bitter-enders or the strict reservationists. When we obtain more letters by Lodge, and the papers of Knox, Moses, Brandegee, Hiram Johnson, Borah, Hitchcock and others, we can better appraise the course of events in the Senate. As yet we can only guess as to the influences working on Wilson when he rejected the Lodge reservations and carried with him enough Senators to defeat the treaty. Ray Stannard Baker will have to fill this gap. Nevertheless, Mr. Fleming's book is surprisingly complete and convincing. Later evidence will alter many details, but is unlikely to change the main verdict to which the author points.

Just why did the United States reject the League? Some would say

that fundamentally it was because majority opinion was against it and impressed its antagonism upon the Senate; but no one who has carefully studied public opinion as it existed in 1919 would assent to this view. Others would say that it was primarily because Wilson showed an impracticable temper and defeated his own instrument by refusing to accept reasonable changes. This opinion, while it possesses a certain plausibility, neglects factors which strongly qualify and probably invalidate it. Still others will lay much of the blame on a series of accidents, and certainly every conceivable form of ill-luck attended the Covenant. From the illegal election of Newberry in Michigan to the prostration of Wilson, fate dealt it blow after blow. Still others, with a mounting array of evidence upon their side, would lay the principal blame upon Lodge and his strict reservationists and would say that they intended defeat from the outset. But the question is too difficult for a simple answer; the League was defeated by a complex of circumstances, and all Mr. Fleming's long, involved narrative is required to explain it.

It is necessary in any considered treatment to deal with all four of the factors indicated above: First, with the methods of the opposition groups; second, with the tactics of Wilson and the other sponsors of the treaty; third, with the rôle of mere circumstance; and, fourth, with public opinion. Mr. Fleming takes them up in order. He shows how the general idea of a League was conceived; how before a line of the covenant was written the Republican leaders in the Senate attacked it and demanded that the treaty precede any League; how Wilson ignored them; how the Foreign Relations Committee was packed against the treaty; how the debate aroused a cloud of misconceptions; how the treaty was finally defeated by a union of two extremes, the Wilsonians and bitter-enders against the reservationists; and how the defeat was

apparently confirmed by an election that was really anything but "a great and solemn referendum." In general, Mr. Fleming avoids comment. His facts are left to speak for themselves. But on the basis of his narrative and other available information, it is possible to form a fairly definite set of conclusions.

One conclusion affects the character of the Senate groups arrayed against the treaty. It will be remembered that when the treaty came to a vote there were forty-nine Republican Senators. Of these fifteen were irreconcilables. Of the other thirty-four, there were about eighteen who followed Lodge in desiring "effective reservations," and eight or ten "mild reservationists." Mr. Fleming does not pause to analyze these groups, but their conduct speaks for them.

Of the three, the irreconcilables must be treated with very considerable respect. For one thing, most of them were utterly sincere; Borah, "Jim" Reed, Thomas of Colorado and others were actuated throughout by honest motives. Moreover, they stood for a definite philosophy. They represented in general the standpoint of the interior of the country, far removed from the seaboard and its Old World contacts. They had certain economic motives, such as a distrust of international financiers, but they expressed still more the isolationist spirit of the pioneer, the self-sufficiency of the frontier. They had the feeling, natural to the West, that America's first duty is self-development, and that we have enough to do in settling our lands and building up our industries. It is absurd to say that Borah was lacking in idealism; but he and his associates believed, like Americans of Jeffersonian and Jacksonian days, that we could best help Europe simply by setting up an object-lesson in democracy, equality and social well-being. There was a great deal of ignorance in their attitude; they were not living in the twentieth century of unescapable foreign

tacts at all; but it was an ignorance that once in our national history had been wisdom.

The mild reservationists are also worthy of respect. Including some of the finest spirits in the Senate, such as Kellogg and Knute Nelson of Minnesota, McNary of Oregon and Lenroot of Wisconsin, they also were patriotic and sincere. They wanted the League and wanted it practically intact, but they were concerned about precision in a few details. They may be said to offer a parallel to the men who, a century and a quarter earlier, had insisted upon attaching the first ten amendments to the American Constitution. One of them, Porter J. McCumber, a man of vision from the North Dakota plains, appears in an almost heroic light in his fight for ratification. None of this group showed personal feeling, excessive partisanship or undue concern over the prerogatives of the Senate.

It is the strict reservationists or Lodge group who least deserve respect. From the outset their sincerity was open to question and it remains more gravely questionable with every bit of pertinent information that we acquire. Several, unquestionably, talked of improving the Covenant when they actually meant destroying it; their amending pen was a stiletto in disguise. They acted with an eye to assassination by indirect means, so that the blame might be thrown upon Wilson. The theory of a formal conspiracy is doubtless untenable, and it is probable that Lodge and others alternated between a desire to humiliate Wilson by drastically altering his Covenant and a willingness to defeat the League altogether. Even so, they were insincere. Posing as eager to see the Covenant accepted with reservations and the League brought vigorously into the world, they put no courage whatever behind this position. If they had been willing to fight for it, they might well have won, but whenever a fight was required they bent weakly to the bitter-enders. We shall

see that there was one critical moment in particular, in the compromise negotiations, when by persistence Lodge might have carried a moderate program, but the bitter-enders confronted him menacingly and he dashed the whole scheme to the ground.

Nor are the general ideas—the philosophy—of the strict reservationists worthy of much respect. Unlike the irreconcilables, they saw the light—and then sinned against it. Lodge, Frelinghuysen, Kenyon and others were by no means ignorant of the needs of present-day internationalism and world-organization, but they turned their back on them. Several of these men, notably Lodge and Fall, were actuated in part by personal animosity against Wilson. But this motive can be overemphasized. Lodge is probably as pure an example of the blind and selfish nationalist as our country has produced since James G. Blaine. A belligerent and indeed truculent type of nationalism runs as a binding thread throughout his career. Early in the '90s he was threatening Great Britain with war over the Venezuelan boundary, and presenting his famous resolution for a trade boycott if she did not turn to bi-metalism; later he led the jingoes in demanding war with Spain; he became Germany's bitterest hater and just after the armistice favored partitioning her; and he closed his Senatorship with a wanton insult to Japan. Much of his opposition to the League must be explained by his belief that our least rights were paramount over other nations' greatest rights, and that our motto should be no risks and all gains. A patrician, an intellectual, an indefatigable traveler, he was withal a man of unyielding prejudices and parochial soul.

It was Lodge who exercised a dominating influence in packing the Foreign Relations Committee with men hostile to the League. Ex-President Taft protested against this at once. He pointed out that the new Foreign Relations Committee had been made

sufficiently Republican to give the party a majority without the vote of McCumber, who was known to favor the treaty, and that a careful selection had been made of Republicans whose opposition to the treaty was pronounced. Senator Kellogg would naturally have been taken before Moses, who was a new Senator and one whose term expired in two years; but Kellogg had made a speech in favor of a League, and had refused to sign the "round-robin," and he was hence left out. Lodge remarks complacently in his book that "this was a strong committee, and such as the existing conditions demanded."

It was Lodge who unsuccessfully urged Henry White to go behind Wilson's back in Paris and show Balfour, Clemenceau and Nitti a memorandum which Lodge had written and which would weaken the President there. It was Lodge, who on April 29, 1919, when sentiment seemed still overwhelmingly for the League, held a conference with Borah, chief of the irreconcilables, in which they agreed on a virtual partnership. "I said to Senator Borah," writes Lodge, "it seemed perfectly obvious to me that any attempt to defeat the treaty of Versailles with the League by a straight vote in the Senate, if taken immediately, would be hopeless. * * * I told him that in any event there was only one thing to do, and that was to proceed in the discussion of the treaty by way of amendment and reservation." This conference, he adds, secured the support of all irreconcilables to his reservations. And it was Lodge who, as he confesses in a passage which Mr. Fleming strangely omits, was determined that Wilson should be blamed:

"There was another object which I had very much at heart, and that was if we were successful in putting on reservations we should create a situation where, if the acceptance of the treaty was defeated, the Democratic party, and especially Mr. Wilson's friends, should be responsible

for its defeat, and not the opponents of the treaty who were trying to pass it in a form safe for the United States." (*The Senate and the League of Nations*, page 164.)

All informed Americans are familiar with the course of the Senate debates on the Covenant, beginning a few days before Wilson's first return home from Paris, in February, 1919, and continuing through the Spring and Summer. But there must be many who are not familiar with some of the principal features of the negotiations behind the scenes. Wilson returned home for good early in July. On Aug. 19 he held his second White House conference with the Foreign Relations Committee, urging early ratification. Meanwhile the majority of the committee sat squarely astride the treaty, its public hearings developing racial hostility to the League in every direction. The post-war slump in enthusiasm was becoming pronounced, and 2,000,000 homesick, disillusioned soldiers were flooding home from France, ready to shut the front door and keep it locked. Wilson made his appeal to the West, and came back to the White House more dead than alive.

The treaty, with the Lodge reservations, was defeated. Then, under pressure of public sentiment, an effort was made to compromise the dispute in such a way as to allow the United States to share in establishing peace.

It was these compromise negotiations of January, 1920, which constituted the acid test of the sincerity of Lodge and his strict reservationists. They were initiated by Senator Colt of Rhode Island, a Republican mild reservationist, who talked the matter over with McKellar. These two agreed on a compromise set of reservations. Kenyon and Kendrick were then called in, and also agreed. The informal committee was immediately enlarged by Senators Simmons and Lenroot, who also subscribed to the tentative reservations; and so did Walsh and Kellogg. The eight Senators then con-

sulted their respective leaders, Lodge and Hitchcock, and by Jan. 17 earnest work was well under way. On the 21st Lodge declared progress had been made, and on the 22d the press ran optimistic headlines, the *New York Tribune* reporting partial acceptance of a compromise "distinctively milder in its terms than the Lodge reservations."

By the 23d the bitter-enders had taken fright. At 2 o'clock, when the bipartisan conference was to reassemble, the embattled irreconcilables, including Knox, Borah, McCormick, Moses, and Brandegee and Poindexter met in Hiram Johnson's office and had Lodge intercepted at the conference door. He excused himself "temporarily" from the gathering that many hoped would end the long battle. Three hours elapsed before he emerged from his talk with the bitter-enders. As he subsequently confessed, he had assured them that there was no danger that he would concede anything that was essential or that was more than a change in wording. He had surrendered, and the compromise negotiations were at an end. Mr. Fleming puts it well: "He had been driven into conference by the mild reservationists, backed by public opinion; he was now driven out by the bitter-enders, supported by the dread spectre of party schism." The acid test had shown his sincerity to be a pretence, for sincerity that is without courage or conviction is not sincerity.

Looking back on the whole transaction, there appear to be two great tragedies involved in it. One is that the Democratic leaders allowed themselves to be outmanoeuvred by Lodge's strict reservationists, who really (and we must believe deliberately) defeated the treaty. By shrewder, prompter and more dexterous action, the administration in all probability might have made terms with the Republicans who were most friendly to the League, and thus have carried off the victory.

A number of the mild reservation-

ists hoped during the Autumn of 1919 that Wilson's representatives would agree to a sufficient number of reservations to make possible a two-thirds vote. A coalition of all the Wilson Democrats with all the moderate Republicans could almost certainly have forced a rewriting of the Lodge program and have brought America into the League without conditions offensive to other nations. There is much evidence that in October the mild reservationists repeatedly hoped for Democratic action toward this end. Hitchcock on Nov. 13 belatedly brought forward a set of five reservations; he should have offered a larger set at a much earlier date. If Wilson had never suffered his paralytic stroke, and if a keener mind than Hitchcock's had been in charge of the Senate minority, the requisite alliance might have been effected and the nation would be in the League today.

The second and greater tragedy was the failure of American public opinion to force favorable action by the Senate upon the treaty. It is hard to avoid the conclusion that an electorate of greater enlightenment, idealism and boldness would have responded to the League proposal, as did the people not only of the European powers, but of Scandinavia, Holland, Switzerland, the British Dominions and some South American countries. For a time opinion did assert itself with great energy. Early in 1919 the principal agencies for expressing the popular will all seemed to be on the side of immediate acceptance of the League. The churches were for it; the women's organizations were for it; the intellectuals—teachers, professors, writers, professional men—seemed in the main to be for it. The American Federation of Labor came out in its behalf. At a meeting of the American Bar Association in Boston a unanimous vote was registered for our acceptance. We have the testimony of the hostile George Harvey that business men were strongly enlisted behind the League idea, and that "bankers notice-

ably and capitalists, though less aggressively, seemed to be literally unanimous in their advocacy."

Yet inertia, partisanship and, perhaps most important of all, mere prejudice, finally carried the day. The extent to which adroit appeals to German sentiment, Irish sentiment, Italian sentiment, Polish sentiment, and the like were allowed to divert attention from the true merits of the issue and to furnish support to the irreconcilables, throws an unhappy light upon the quality of our democracy. It was not only the Senate that flagged and turned away from the vision Wilson had held up, but a great part of the American people.

Had the Democratic leadership been quicker and more astute, or had public sentiment expressed itself with the force which so great a crime deserved, all the adverse factors might have been overcome. The strategy of Lodge was adroit, but he was playing an essentially false part, and it could have been exposed. One mishap after another befell the friends of the League, but none was necessarily fatal. There was the mistake of Wilson's appeal for a Democratic Congress in the elections of 1918, which provoked partisan wrath and gave him a Republican Senate instead. There was the divergence between Wilson and Lansing, with all the harm it did when advertised in the Bullitt episode. There was the unhappy fact that Wilson could not be negotiating peace in Paris and rallying public sentiment in America at the same time. There was the crowning misfortune of his break-down, accentuated by the bad quality of the advice that he received while isolated in his sick-room. There was the circumstance that the last stages of the treaty contest were fought under the shadow of the impending Presidential election, with all which that meant in the evocation of partisanship.

Seldom has any great national proposal been dogged with more consistent misfortune. The day might have

been redeemed by gallant fighting or by a firm display of the national temper, but it was not. Worst of all, the defeat was finally ratified, as it seemed, by an election that really involved a dozen other factors, but that placed in the Presidency a weak man who yielded without a struggle to the irreconcilables.

It was not a real decision upon the merits of the question, and it hence cannot be accepted by friends of the League as in any way final. In the course of his book Mr. Fleming finds occasion to quote the ringing words of Herbert Hoover in his Stanford University address of Oct. 2, 1919, in behalf of the League. "Our expansion overseas," said Mr. Hoover, "has entangled us for good or ill, and I stand for an honest attempt to join with Europe's better spirits to prevent these entanglements from involving us in war. We are not dealing with perfection, we are dealing with the lesser of evils. There are reasons of interest. There are also reasons of idealism, and true national interest lies along the path of national ideals. * * * For us to refuse to enter into a joint attempt with the well-thinking sections of a large part of the world to establish a continuing moral conscience against war is the utmost folly in our own interest." These words are not a whit less true now than when they were uttered.

Some observers, including Señor Madariaga, have thought it fortunate for the League that the United States has not been a member during its first years. However this may be, American cooperation has attained such proportions that we are now far from absent at Geneva. Two years ago Secretary Kellogg stated that we had sent official delegates to about twenty-two League conferences and unofficial delegates in an advisory capacity to more than twenty other League meetings. Only a few months ago an American sat with the League Council to deal with the Manchurian situation. The League, as Mr. W. E. Rappard has pointed out, may be said to function in three capacities. One is as an executor of the treaty of Versailles, which involves a slow liquidation of the war. Another is as a centre of important international endeavors affecting labor, finance, world health and a hundred other problems. The third is as the principal agency for the prevention of future wars. With all three functions the United States has come to have closer and closer contacts, and to the latter two it has lent the heartiest assistance. The time will arrive when it must frankly and fully take its place in an organization which, while it has not satisfied all critics, has proved an indispensable centre for the new spirit of world solidarity.

Aliens in the Deportation Dragnet

By JANE PERRY CLARK

Author of "Deportation of Aliens from the United States to Europe"

DEPORTATION of aliens whose presence in the United States is believed to be undesirable is not new, but it has become increasingly emphasized as a panacea for our economic difficulties, particularly unemployment. "Send the unnaturalized aliens out of the country!" is the cry. "Let them go home so that our citizens can have their jobs!" The Secretary of Labor and the Commissioner General of Immigration have even gone so far as to assert that deportation work is the most important function of the Bureau of Immigration in the Department of Labor. Each year efforts have been made to increase the deportation record, until the total of "undesirable aliens" sent from American shores during the last ten years has reached 105,782. In 1931 alone 18,142 were actually deported, while 11,709 left voluntarily in compliance with deportation orders.

Who constitute the long, steady procession of those forced to leave the country? For practical purposes, there are two principal classifications—those who may be deported within five years after their entrance into the United States and those whose deportation may be ordered at any time, regardless of their date of entry.

The first group includes all who might have been excluded on entry—those with physical or mental disabilities which were undetected at the time of admission, contract laborers, illiterates, persons liable to become public charges and so forth. For instance, a man admitted with a cough but not discovered to be tuberculous until some months later may be de-

ported at any time within five years after entering the country.

The second group is the larger and socially more important. It contains the many aliens who sneak into the country undetected, those who within five years of coming to the United States have become public or semi-public charges, those guilty of crimes in the notorious "moral turpitude" category, aliens connected with prostitution or brought to the United States for an "immoral purpose" or involved in the narcotic traffic, and anarchists and extreme radicals—a class specifically defined in the law. All these must go, once deportation proceedings have started, no matter how long they may have been in the country. If a girl who was brought to the United States as a baby and who lived here continuously until the age of 20 should then become a prostitute she would be liable to deportation to the country of which she is a citizen.

Unfortunately, the classifications are not as simple as they seem, and to the courts has fallen the thankless task of interpreting almost every word of the crazy quilt of deportation law. For instance, "entry" has been defined as *last* entry, so that if a foreigner resident in the United States for thirty years but never naturalized should cross the Niagara River to the Canadian side for a few minutes to see the Falls he would be considered as "entering" the country on his return. Should he become a patient in a public hospital within five years of that excursion he could be regarded as having become a public charge within five years after entry, from

causes not shown to have arisen since that admission. As a result, he might face deportation to the country whence he had come thirty years ago.

Another illustration of the difficulty of interpretation is found in the different court definitions of the words "liable to become a public charge." In some cases the courts have ruled that a person to fall within that category must appear likely to become an occupant of an almshouse; in other cases it has been decided that the words do not apply solely to pauperism but extend to evildoers generally. Thus it has been held that a persistent violator of the prohibition laws is likely "sooner or later to get into jail, where he would be a public charge."

Confusion becomes worse confounded in the attempts to clarify the meaning of "moral turpitude." Here numerous interpretations have been evolved, ranging from Will Rogers's "telling the truth when you ought not to" to the more legalistic distinctions laboriously developed by the courts, for example, that violation of the Volstead act involves moral turpitude, whereas violation of a State liquor law does not. The geographical factor is important in determining the definition, since in at least one State aggravated assault and battery involves moral turpitude, while in another it does not.

Any alien who has been convicted or admits the commission of a crime involving moral turpitude before arrival in the United States is deportable whenever his criminal record may come to light, even if he should have been pardoned in the country where the crime occurred. It is even possible for a crime committed before the alien's arrival in the United States to have been committed in the United States. In one instance, an alien who arrived in 1913 and lived here eleven years was convicted of having, as a bankrupt, concealed assets. After serving a sentence of eighteen months in prison, he became a taxicab driver in Buffalo, N. Y. Although he returned the same day after taking some teach-

ers across the border to Canada, he became liable to deportation for conviction of a crime involving moral turpitude before entering the country. Yet the commission of the crime and the conviction for it took place in the United States.

If, after admission to the country, a person is sentenced to prison for a term of a year or more, because of a crime involving moral turpitude — whatever that may be — committed within five years of entry, he may be deported. But an alien, no matter when he entered the country, is liable to deportation at any time if convicted of moral turpitude and sentenced to prison more than once for a term of a year or more.

While the law in regard to becoming a public charge and crimes of moral turpitude is vague and inconclusive, in the case of radicals it is quite definite. During a war or a period of national distress it may be invoked to the fullest extent. In 1919 and 1920, the time of the "great fear," strong-arm methods were used to rid the country of all types of alien radicals. But the "return to normalcy" and the rise of "prosperity" diverted attention from political dissenters and stimulated greater respect for the "due process of law" clause in the Constitution. Thus only fifteen aliens were deported between 1926 and 1929 because of radical activities. Hard times, revived fears of the economic competition of Soviet Russia and the investigations of the Fish committee, however, once more directed attention to radicals and their ways. Raids were resumed on places frequented by aliens in the search for "undesirables" liable to deportation, and in 1931 eighteen radicals were sent out of the country. Apparently the campaign against the radical element varies to the extent that political and economic events in America intensify or moderate the fear of subversive ideas. At any rate the Department of Labor promises continued activity in this field.

Most numerous and most baffling

of all deportation problems are those connected with illegal entries. Long stretches of desert and mountain and a shallow river on the Mexican border, mile after mile of farm-land, river and lake on the Canadian frontier, thousands of miles of coast-line from Maine to Florida and from Washington to California have offered easy access to aliens who have resolved by fair means or foul to enter this country. The increasing restrictions of our immigration law have made it all the more necessary to attempt to stem the tide of surreptitious entry by strengthening the border patrols. Yet it has proved well-nigh impossible to prevent aliens from entering, and the need for more effective barriers is greater than ever. Because it is a penal offense to enter the country illegally, border county jails have often been grossly overcrowded with those awaiting trial or serving sentence.

The simple and direct wording of the law, that any deportable alien "shall, upon the warrant of the Secretary of Labor, be taken into custody and deported," gives but little hint of the complexities that have developed in administration. It is this question of method which has recently attracted so much attention and concerning which the Wickersham report on deportation states: "The apprehension and examination of supposed aliens are often characterized by methods unconstitutional, tyrannic and oppressive." In all cases the procedure is purely administrative, highly centralized within the Department of Labor in Washington.

A person trying to cross the border may be caught by the border patrol; a man's next-door neighbor may take a dislike to him and denounce him as a possible deportee; a hospital in which a woman is a patient may inform the authorities that she is deportable. In all cases the local immigration officials are supposed to accept the complaint, whether anonymous or otherwise, and investigate. Sometimes the immigration inspec-

tors, in company with the local police, have raided peaceful dances or reading rooms in the search for aliens, but this is a procedure condemned by all upholders of constitutional rights. Because of the various methods by which aliens may be reported to the authorities, much depends on chance as to whom the arm of the law strikes.

A person held as a possible deportee is first of all asked to make a statement as a preliminary to securing all the necessary information on the case, which may later be complicated for the officials by the appearance of a lawyer. As soon as the preliminary statement is taken the inspector applies to the Bureau of Immigration in Washington for a warrant of arrest, and if there is danger of escape the application goes by wire. Usually the local police hold the alien as a "suspicious character" until the warrant is received, unless he is in an institution. But this detention or surveillance of suspected deportees by the police is at best a highly dubious procedure. When the warrant of arrest arrives from Washington the alien is permitted to engage a lawyer, but because of poverty, fear or other reasons only a small percentage of the cases ever have legal representation.

The hearing to determine probable deportability is informal and is held wherever the alien happens to be. The inspector acts as interrogator, prosecutor and possibly as interpreter and clerk. Since deportation is not punishment for crime, the hearing is conducted without the usual safeguards of criminal procedure. Thus the very informality may deprive an ignorant alien of proper protection and give him a minimum of opportunity for defense. On the conclusion of the hearing the record is sent to Washington for decision of the Secretary of Labor as to deportability.

This decision is reached by a method prescribed neither by statute nor by regulation. A board of review of from five to ten members was appointed within the department to make rec-

ommendations. More recently the pressure of cases has been so great and criticism of deportation methods so constant that a second board of review was appointed in September, 1931, and, later still a third. Sitting as a court, these boards examine the records and allow the appearance of lawyers or other representatives of the alien. To all intents and purposes the action of a board of review is final. The two assistants to the Secretary of Labor—the chairmen of two of the boards — actually sign the decision, though on occasion they consult the Second Assistant Secretary of Labor.

When deportation has been ordered, a warrant is sent from Washington to the local officials. Meanwhile the alien waits in jail or in an institution, although in some instances he is allowed freedom. If he can show that he is illegally detained, he may apply to the nearest Federal court for a writ of habeas corpus. Only a small proportion of cases ever reach the courts, for in only few instances of detention can anything be shown that the courts consider irregular; and it is seldom that the alien can afford the expenses of a court trial. The consequence is that aliens—men, women and even children — awaiting deportation continue to crowd the jails, often merely through lack of other detention facilities.

However anxious the authorities may be to rid the country of "undesirables" with all possible speed, the United States cannot deport an alien unless some other country is willing to receive him. Often it requires considerable time to discover what country will take him, and luckless persons have been known to be kept in jail a year or more until they are recognized as citizens by the foreign governments which will undertake to issue passports for them.

The refusal of the United States to recognize Soviet Russia has peculiar effects upon deportation. Without diplomatic representation, facilities

are lacking for the issue of passports; except in those rare instances where a Russian has a valid, unexpired Soviet passport, deportation to Soviet Russia is impossible. Armenians are affected by a similar situation; as a rule, an Armenian who has once left Turkey may not return there, and so may not be deported to that country. Nor may expatriated citizens of other countries, such as Germany, be deported, for they have lost their citizenship.

The varying national complications play infinite variations on the passport theme. Thus a girl born in Germany of Austrian parents was brought to the United States and, at the age of 18, became insane. Because of the German and Austrian laws which gave her the citizenship of her parents, she was sent to Austria, where she had never been at any time. A Czech woman living twenty years in the United States and married to a Cuban could not be deported to Czechoslovakia on becoming tuberculous, but was sent to Cuba because, according to the laws of Czechoslovakia and Cuba, she had taken the citizenship of her husband. Numerous complications have arisen with Canada and Mexico because of their proximity to the United States. For example, an Englishman lived in Canada from 1890 to 1925 and after two years in the United States lost his Canadian domicile. Yet he was deported to England, which he had not seen for thirty-five years.

Diplomatic red tape and long drawn out investigation may cause interminable delays before passports are issued. Nor is deliberate procrastination by representatives of foreign governments unknown. Often an investigation which may consume many months must be made in the alien's country. A request for a passport may go from the Department of Labor to the Department of State, to the legation of the foreign country in Washington, to the Foreign Office of that country, to some town in that country and back again through the

same channels before authority is granted for the issue of the passport. Meanwhile, the unfortunate alien may be held in jail with criminals, although he himself may be no criminal at all.

As soon as arrangements for deportation are complete, the alien in the case is put on one of the special trains which periodically wind their way throughout the United States, picking up the ill and insane, the criminals, the illegal entries and all the rest who compose the motley assembly of from 300 to 400 who finally reach the port from which they are to depart. If the destination is Canada or Mexico, the deportees are taken to the nearest place on the border and released. Those among the party who are ill, mentally or physically, present tragic problems. Before they leave this country they must have a certificate from the institution where they have been confined that they are able to travel without danger to life, though at least one case is on record in which a person was deported despite a report to the contrary. Then the master of the ship on which the deportees travel must send back a report of their daily condition during the voyage. Furthermore, there must be a report of the arrival at the final destination in the foreign country, and this report must be signed by a relative, police official or director of the institution to whom the alien is taken by the attendant provided to accompany him home.

Except in a few isolated cases, the deportee drops into the void as far as the United States is concerned. Deportation for him is banishment, for he can never legally return to the United States. Even for a mere technical violator of the law, even for a

person whose home, family and business connections are in this country, even for those with American-born children or families, no return is possible. So great are the hardships entailed by this drastic law that since its passage in 1929 the Secretary of Labor and the Commissioner General of Immigration have repeatedly requested permission to grant exceptions. To mitigate particular hardships they have developed the practice of withholding an order of deportation or withdrawing it when issued, if the alien involved has an American-born wife or children or both. In such cases, the alien is given a definite time within which to leave. Thus a measure of administrative relief, not sanctioned by statute or regulation, has developed with silent assent from a law which can oppress not only aliens but American citizens as well.

This is only one aspect of the laws relating to the deportation of aliens which needs revision. Simplification, clarification and especially codification into one comprehensive and clear statute have become a crying need. Among the many possible changes in procedure, the need for more adequate review is one of the most urgent, and for this the establishment of an independent board of review, similar in organization to the board of tax appeals, has been suggested as a method whereby fundamental rights may be more fully protected. Only when we realize that the alien in the United States is the product not only of the country from which he derives his legal citizenship but also of the country in which he makes his home can there be a real attempt to deal with the problems of "undesirables."

The Soviet Idea in Literature

By JOHN COUNOS

[Born in Russia, the author of this article has lived in England and America since boyhood. Besides contributing to periodicals here and abroad, he has written poetry, plays and novels, the most recent of which, *The Devil Is an English Gentleman*, has just been published in New York.]

RUSSIA is a land of literary controversy. It has been so since the days of the great critic Belinsky, when Pushkin and Gogol ushered in an epoch of poetry and prose now commonly referred to as the "classic" period. But the literary controversies which have been raging since the institution of the Soviet régime have relegated all past controversies to the category of petty skirmishes. As for what goes on now—well, it is real war and revolution.

But it is difficult to subjugate minds. Five-year or even ten-year plans will not quite work here. One must begin, as Voltaire said of a child's education, with his grandmother. The time will come, however, when the stiff-necked older literary generation, nurtured on pre-war ideas, will have passed away, and its place will be taken by true proletarians, fostered from childhood on the Marxian doctrine. Then, perhaps, Russia may have the literature its doctrinaires desire. In the meantime we may expect literary Galileos to persist and, while outwardly subscribing to the tenets of the Soviet faith, to murmur heretically under their breaths: "But it does move."

What does the Soviet régime expect of its writers? In the first place the Soviet writer must not only think proletarian, he must *feel* proletarian. Art, in general—even the Soviet critics

realize this—must be more a matter of feeling than of thinking, if it is to *move* the average man. "Workingmen of the world, unite! You have nothing to lose but your chains!" is not merely the statement of an intellectual who has arrived at an academic conclusion in his study; it is an emotional doctrine, the battle-cry of a "prophet," designed as thought for translation into action. Theoretically this does not imply that plays, poems and novels shall be of a direct propagandist nature. On the contrary, Marxian critics, following the lines of esthetic doctrine developed by Plekhanov, the chief exponent of Russian Marxism, emphatically assert that the true proletarian writer—provided, of course, that even as his bourgeois brothers, he possesses the necessary technique—interpret in "artistic images," no less than a Dostoevsky or a Tolstoy, the true character of his class and the underlying ideas which move it. The ostensible purpose of such a delineation is not only to show the nobility of the Bolshevik experiment but also to stir readers to emulation.

In the second place the new literature can no longer express the longings and ideas of the individual. Just as in the world of industry the whole tendency is toward collectivization—collective farms, collective communal dwellings, and so forth—so in literature, the Marxian critics assert, a play, a novel or a poem must portray the mass, the mood of a whole people, a unity of purpose such as is evident in the Bible, in Homer or in a Gothic cathedral of the Middle Ages. They argue that art reflects the life of a people and that the anarchic art of

Europe, in which there are almost as many tendencies as there are artists, is a clear indication of Europe's fatal division, and that such movements in art as classicism, romanticism, symbolism and art for art's sake are merely so many aspects of Europe's decadence. A healthy art, furthermore, voices the soul of a whole people.

"Where do we come in?" cried one critic at the beginning of the revolution. "We have overthrown the bourgeoisie for its weakness, and with our own strength and will we have overthrown a political system; why should we not also overthrow their art system?" And only lately the editor of the militant periodical *Oktiabr* (October) declared: "We are building huge factories, new colossi of proletarian industry; we are building them on a new basis; but have we, proletarian writers, presented the history of the construction of socialistic industry?" Communist party resolutions, moreover, demanded a bold, decisive break with "the preconceptions of the gentry in literature" and at the same time urged the putting to use of "all the technical achievements of the classics," with the idea of working out "a corresponding form, understood by the millions."

A writer is no longer an individual writing for individuals, but one of a million, whom he must resemble, writing for a million. Hence, he is advised not to remain in his room and write of haphazard experiences, after the fashion of the Western writer, but to enter the factory and write of the workers, for the workers, regardless of the fact that writing in itself is a labor which, moreover, requires considerable proficiency and, therefore, not a little time for its mastering. It has been said of Herman Melville that he often sat a whole day before his paper and only at 4 o'clock in the afternoon began to write. How, it may be asked, would the Soviet critics solve a problem of this kind, to men-

tion only one of the many problems?

In the third place, it is urged upon the Soviet writer that he permeate his work with will and optimism and eliminate all qualities which might tend to weaken the worker. Five-year plans need will and optimism, and the creative writer is asked to do in his writing what the workers are doing in the world of industry. The Russian, as pictured in the books of Dostoevsky, Tolstoy and Chekhov, was an indolent creature given to much talk and to drinking tea and vodka; if he ever worked it was rarely mentioned; nor do we read of marvelous exhibitions of will power. As for being cheerful, that certainly was the last thing we looked for in a Russian novel. Suddenly all this is changed. The Russian works as no man on earth, and tea and vodka are rather scarce; none exhibits more will than he; and he is more cheerful about the future than Pollyanna.

If art is really the reflection of life, say the critics, it is not enough that the transformation already achieved should find adequate expression in literature. The artist, it is assumed, not only expresses a new order but, if he follows the law of "dialectic materialism"—as, of course, he should—he projects the order yet to come. "Realism," said Plekhanov, "cannot be called true realism if it presents reality in a congealed form and avoids those new appearances and impulses which should lead to a change in this reality." Thus, the creative artist is expected to adopt the attitude of continuous change as the philosophic basis for his art—not a new idea, if we take into account a whole succession of philosophers from Heraclitus to Bergson, except as modified by the acceptance of the general principle of the materialistic conception of history. Such an attitude, according to Plekhanov, "appears as a logical consequence of that lofty valuation of the historical process itself and of the general optimistic attitude toward the

history of humanity." If we interpret this rightly it means that we need not consider capitalism as necessarily an evil, since its logical development and outgrowth are collectivism and communism!

The bourgeoisie, on the other hand, have no such comforting doctrine. They find themselves, avers the critic, in the unfortunate position of decline, and changes can affect them only for the worse. "In order that it might go forward, it must descend still lower." Futurism and kindred pre-war art movements were symptoms. The Russian Futurists may have believed themselves to be the advance-guard of the artistic equivalent of social revolution; they were, in fact, implies Plekhanov, the straggling rear-guard of the bourgeois retreat.

Optimism, then, being an essential condition of Communist art, based on the idea of rebirth, with the implied concomitant factors of youth, energy and faith in the future, the Soviet critics have been asserting that not Tolstoy, Pushkin and Belinsky must be the starting-point of the new literature, but Lenin, the creator of new Russia, the man of optimism and of dominant will. He must be at once the hero and the myth for the creation of the new art, only awaiting a new Homer to find adequate form. Did not Plekhanov prescribe a dose of Homer as salutary, because the "impression of freshness, reality and health" which Homer's poems give results wholly from the fact that they "imitate and reflect the *popular* healthy creativeness, the creativeness of the young classes"?

After all, if collectivization is desirable and unity of purpose is the end, it follows logically that, as Homer created an army of heroes, the great Communist writer must do likewise. Putting leaders aside, he must create an army of little Lenins and little Stalins, men of will unitedly hewing out a glorious destiny, using farm tractors instead of spears, hammers in place of bow and arrow, and building dams in-

stead of fortresses. Even now workers are being called "heroes" or "brigadiers," while the most energetic receive the Order of Lenin, as soldiers elsewhere receive the Victoria Cross. This idea of "heroism" is ingrained in the plans deliberately made for new literary creation.

Such, in general, is the theory of Communist art. What of the practice? Practice, of course, is a different thing. The first difficulty encountered was a deficiency of technical skill among proletarian writers. Lack of skill, in some cases, might be overcome by talent, but that also was absent. The early years of the dictatorship were marked by a flood of books containing nothing better than propagandist clap-trap. Subsequently, even as in industry it was decided to retain bourgeois engineers, so in literature it was resolved to permit a certain freedom to the *poputchiki*—bourgeois writers who accepted the economics and politics of the new régime without really being able to transform themselves into true proletarians, at all events, in the matter of feeling. It was hoped that these excellent literary craftsmen, trained in the best bourgeois traditions, might provide the necessary tutelage for the young proletarian writers who were growing to maturity. Possibly in time the bourgeois mentors might be drawn into the common stream of proletarian culture.

It must be remembered that most of the themes among which the Western writer may roam at will are taboo for the true proletarian. He is not allowed to indulge in individual whims. Such literary tendencies as the romantic, the erotic, the religious, the mystical, are all closed to him. Nor is he allowed to invoke the subconscious, because no other power is acknowledged except that of the conscious will, capable of complete decision and action. The effort of one or two scholars to reconcile Freudism and Marxism under the name of Freudo-Marxism has signally failed, and has caused the authors of

the idea to be rapped sharply over the knuckles. You cannot serve two masters under communism. This may or may not be a good thing. The point is that choice of subjects is narrowed to a few, all having the same end—the glorification of labor, of the machine, of revolution. You may want to write a love lyric to a girl, but you must, in fact, write to a factory chimney—that is, if you have any expectation of having it published.

Pilnyak's *The Volga Falls to the Caspian Sea* is commonly regarded in America as being an example of orthodox Soviet fiction; actually, it is not. Pilnyak, it is true, glorifies labor and the worker; but he also introduces women characters who smack strongly of Turgenev, Dostoevsky and Tolstoy. A prominent Soviet critic, B. Aikhenwald, thus speaks of his work: "Before us is a writer with unhealthily involved intellect and emotions, with an inclination toward problems in the spirit of Dostoevsky, touched with decadence—a writer of that group of the intelligentsia, which 'accepts' the revolution but does not understand it and reflects it distortedly and remains organically alien to it."

Dostoevsky, in particular, with his gift for "many-voicedness," as it is called by Lunacharsky, author, critic and former Soviet Minister of Education, has been the bane of the critics of the extreme Left. It is not alone because Dostoevsky has this superb polyphonic gift which enabled him to become the supreme recorder of the "multiple-voiced" chaos created by the capitalist régime that he is so much detested, even though his genius is frankly admitted. Gorky gave the game away when he attacked the greater man for his "reactionary tendencies," for his glorification of submission and suffering. "A poisonous genius. * * * He was pitilessly beaten, and he took pride in it." This, of course, will not do, if you happen to be on the side which fully intends to make the other man—some poor devil of a bourgeois—submit and suffer.

A little over a year ago Dostoevsky was the subject of a fierce controversy which lasted several months and whose echoes have not quite died away. A popular professor by the name of Pereverzev, who gathered a group of admirers around him, wrote a book on Dostoevsky in which he had the boldness to assert that he never looked in his books for the author's political or religious opinions and that to look for these in an artist was as absurd "as to demand boots from a pastry cook." The artist, Pereverzev maintained, created life, and not systems; he did not discuss and argue, but lived in his imagination, now in this character, now in that, in this or that circumstance. Assertions of this nature brought a storm about Pereverzev's head, all the more as the bold professor declared that they were by no means incompatible with the credo of "Marxian criticism."

The RAPPS and the MAPPS—as the Russian Association of Proletarian Writers and the Moscow Association of Proletarian Writers are known—came forward with what was tantamount to a declaration of war on all such heresy. The terms they employ are eminently militant. They speak of the "literary front," of "mobilization," of the "shock-battalions of the cultural revolution," of "conquest." One of their periodicals is aptly called *At the Literary Post*. The editor of *Ok-tiabr*, whose first aim has been "to reject works with an individualist psychology, works of personal experience with a great cult of personality," declares that this ban on works with a bourgeois tendency quite frankly involves "the works of gifted writers" and works generally which "do not respond to the mood of millions of working people." He urges writers to go into factories, and asserts that "the bolshevization of criticism is our fundamental problem."

We have a sample of this criticism in a recent issue of *Novy Mir* (The New World). L. Axelrod-Ortodox, the critic, writing on "Proletarian Art and

the Classics," formulates the materialistic principle with regard to well-known works treated by "bourgeois" critics from quite another point of view. For example, the Western world has always regarded *Romeo and Juliet* as "the highest possible form of romantic love experienced by two young persons," and the tragedy has been examined "exclusively from this point of view." No, says Axelrod-Ortodox: "Actually, the young heroes of Shakespeare die not from love itself but from the absence of social freedom. * * * Although literary historians cannot help giving some attention to the hostility between the two influential, aristocratic houses, this motive remains in the shadow and the motive of love alone is put forward. Actually, then, *Romeo and Juliet* is the tragedy of the absence of freedom and not the tragedy of love." With regard to Goethe's masterpiece, we are told: "One cannot doubt that Faust would not have conducted himself so shamelessly with a princess as he had with Gretchen."

Whether criticism of literature from the point of view of economics will help the creative artist I leave to the reader. So far it has produced nothing of note in Soviet Russia. Much ado was made about Gladkov's *Cement*, a Soviet novel available in English; but, after all, is it anything more than fictional pamphleteering? Not only are the *poputchiki* having a hard time to meet creatively the demands of Soviet criticism; even Vsevolod Ivanov, a proletarian by birth and inclination, a man whose life out-Gorkied Gorky in proletarian adventure and in the sheer struggle for existence, was not long ago charged by the critics with being reactionary. I have an idea that this artist, who is the author of so many fine stories, has written his recent novel, *A Journey to the Land Which Does Not Yet Exist*, to reinstate himself. A prosaic, realistic tale about a quest for oil, ending on the optimistic note so essential to good

Communist art, the work is disappointing as an artistic creation.

On the other hand, Leonid Leonov, a splendid writer, of peasant origin, who has been a backslider from the start, has lately won the favor of the Marxian critics. I have not seen his recent work; his *Thief*, a superb novel, available in translation, obviously belongs to tradition; it is quite bourgeois in conception and execution. There is yet no writer of Soviet fiction of the stature of Gogol, Tolstoy or Dostoevsky.

Meanwhile the *poputchiki*, being all too human, are becoming more and more subjected to strictures which they cannot possibly escape. For a time they produced meritorious work, but, excluded by their masters from a normal expression of their creative faculties, they have, if anything, degenerated in their product. At a recent conference they and their protectors, Marxian critics of the Right, were taken to task for their failure to live up to expectations. They have not been found worthy of membership in the VSSP—the All-Russian Union of Soviet Writers—the way station for those wishing to attain the yet more considerable honor of membership in the RAPP. A number of gifted writers participated in a series of fierce discussions following the attack; the two chief adversaries were Selivanovsky, speaking for the Left, and Polonsky, the patron of the *poputchiki*. Polonsky, though a strong Marxian, made a powerful plea for his protégés. His speeches in their defense lasted for hours. The tasks of the *poputchiki*, he asserted, were infinitely difficult, because communism was creating a new people with a new psychology and new perception; it was not an easy thing to understand and describe the reconstructed being in terms employed by the old bourgeois writer. "The new hero," in Soviet literature, "the doer of deeds, the enemy of phrases, the soldier of the revolution," he proclaimed, "has not yet

found form in art. Literature must try to find a form for him."

The more sensible critics do not believe that an authentic literature can, like industry, be achieved by a five-year plan. A few years ago the critic Voronsky asked the question, "Will there be Tolstoys, Gogols and Dostoevskys in our transitional time?" And he answered, perhaps in the only way that it can be answered: "Our minds, talents and wills are for the present too deeply absorbed by the social struggle and reconstruction." He added that it might be some time before a Soviet artist would appear with sufficient genius to interpret the epoch "synthetically."

The literary dictators by no means limit their concern to the region known as the Soviet Union. They keep an ever-watchful eye on writers abroad and entertain great hopes of converts. They already have Henri Barbusse, Romain Rolland and Bernard Shaw and a host of lesser lights. They are careful, however, to keep their converts in their place and do not hesitate to rebuke them when necessary. Over a year ago, at the conference of the International Union of Revolutionary Writers, Barbusse was reprimanded for heresies in his journal

Monde, and, more recently, Bernard Shaw was advised by a writer in *Krasnaya Nov* ("Red Virgin Soil") that his past had been full of bourgeois errors, that he had not been at all an authentic Socialist or an authentic foe of the old order, that he had much to learn, that he must leave the path of a "petty mutineer"—in short, disown his whole Fabian past and demonstrate by deeds of zeal his qualifications as a Communist.

Even greater concern is shown for the younger writers abroad who show the correct tendency, and it is urged not only that strong proletarian literary organizations be organized to keep in touch with the powers at Moscow but that these organizations be employed to win over those writers who have written against the bourgeoisie but have not yet declared their allegiance to communism. Actually, this allegiance means more than pen service. "Today we are working at the typewriter," declared Bella Illés, the secretary of the Kharkov conference, "but we must realize that tomorrow it may be exchanged for a machine-gun. Today our weapon is the pen, but tomorrow it may be exchanged for a rifle."

From College to Breadline

By T. SWANN HARDING

LAST Summer the present writer visited several American and Canadian universities. Hard times were affecting them all; appropriations and endowments were in danger; students, in reduced circumstances, were no longer taking full schedules, while those about to graduate were unable to find work in the fields for which they had been trained. In one engineering school alone, of eighty recent graduates, only four have found employment. The rest plan to continue studying at the school. Students are faced with the dilemma of accepting employment in lines for which they are unprepared or of going from college to the breadline. One other choice is possible—that of continuing at the university, working for a Doctorate of Philosophy and thus adding to the existing oversupply of Ph. D.'s.

For several years one of the major industries of the United States has been the mass production of Doctors of Philosophy. As by-products in this manufacture are the less favored Masters and Bachelors of Science and Arts. Far more important than native intelligence, the divine fire of research ability, personal and intellectual teaching qualifications, or distinct talent has been that peculiar type of passivity and mediocre conventionality that enabled an individual to step into the hopper of the Doctor of Philosophy machine, later to emerge properly stamped and certified. Today the aspiring student has greater regard than ever for these higher degrees—not so much because of their intrinsic value as because working for them will defer the day when the

student, as a graduate, must struggle for a job that is all but non-existent.

In 1880 there were in America 687 male college graduates 20 years old or over per 100,000 males; the figure was 710 in 1890, 745 in 1900, 875 in 1910, and in 1920 had become 1,137. Since 1815 more than 496,000 degrees have been granted by our institutions of learning—over one-half of them since 1900. Of living male graduates on June 1, 1920, over one-half received their degrees in the years after 1905. This means the addition of a large, dissatisfied element to our population, because positions to accommodate these trained minds do not increase fast enough.

Between 1900 and 1930 the population of the United States grew from 75,594,575 to about 123,000,000. During the same period the number of doctorates in science increased from 102 in 1900 to 1,055 in 1930. In chemistry alone, for example, the number of degrees grew from 26 in 1900 to 309 in 1930. The following table, showing the doctorates conferred by leading universities, illustrates this change in perhaps a more striking manner:

	1900	1910	1920	1930	1898-1930
Chicago	19	24	43	94	1,367
Wisconsin	1	13	24	86	712
Cornell	11	27	35	80	986
Johns Hopkins..	20	15	21	58	862
Michigan	1	1	9	53	407
Minnesota	1	1	4	53	310
Ohio State .....	..	..	6	50	249
California	1	4	14	47	513
Columbia	12	11	25	44	945
Illinois .....	..	9	22	43	491
Yale	10	12	23	43	698
Harvard	15	10	28	40	735

In the words of an expert: "Not only is this business of making Ph. D.'s one of the major industries; it begins to look as though we were

taking on the airs of mass production." Not long ago an eminent Columbia professor had twenty-seven candidates for the doctor's degree working under him at one time. We have over 150,000 graduate students under discipline in our universities, and about 20,000 college and university graduates enter active life each year. Of the 1,367 Ph. D. degrees granted at Chicago, however, over half the possessors went into college teaching or administrative positions, and when facts are assembled much the same story is told by other universities. Too many doctors are being produced and less than half of them reach or attain the lofty heights of high research for which they are destined. And it is authoritatively stated that "few scientific men in America can either write or speak effectively."

In view of these facts no wonder Professor H. F. Clark of Columbia University called attention but recently to the evil effects of mass education in law, medicine, engineering, ministry, dentistry, architecture and science. In four years the colleges can graduate enough young men to take the place of half the number of those actively engaged in those professions. A surplus had already appeared before the business depression accentuated its effects and competition within the professions was forcing down salaries. Professor Clark also significantly added that "the boy with ability will get to his destination in the business world regardless of an education," and that professional supersaturation can be avoided only by the diversion of clever young men into business.

But since this suggestion was made, business has become a far less promising avenue of escape for the highly educated. An examination of scientific and educational magazines discloses that the scouts who have gone forth annually from industry to the universities, searching for likely material among the new graduates, appear less often and have fewer openings to

offer. When to this situation is added the fact that academic work is seriously hampered by a decrease in funds, the immediate future of 1932 graduates appears to be very gloomy. Perhaps teaching offers a way out. *The New York Times* on Dec. 6, 1931, quoted the National Education Association as saying that the nation still lacks 7,500 trained teachers—although there is an oversupply of 27,500 licensed but low-quality teachers. In the United States there are approximately 822,000 teaching positions with an annual turnover of about 100,000; yet many States whose teachers are poorly trained are compelled to borrow good ones from other States.

Professors Bossard and Dewhurst of the Wharton School of the University of Pennsylvania, in their recent report, *University Education for Business*, actually state that "management and selling stand out as the most conspicuous functions which college men and others holding responsible business positions are called upon to exercise." They declare that about 650,000 attractive positions in business and public service are available to graduates of business colleges, though only 23,000 college men annually begin business careers. Furthermore, "although a certain minimum of intelligence and education is required for success in executive and selling work, above this minimum there is no significant correlation between these factors and financial success." While these remarks have more pertinency in normal times, they are of interest here as marking a trend that has existed for some years.

The average intelligence of executives and salesmen is somewhat below that of men engaged in research and analytical work, while employers are "sometimes reluctant to engage the most brilliant scholars." Employers most desire personality, a mere by-product of university training, denounced by faculties as a deterrent to scholarship and acquired, if at all, in dubious extra-curricular activities. A striking

difference is evident here between business requirements and the ordinary objectives of college and university education. There is more than a suggestion that a solution depends upon the organization not of universities, but of schools unconnected with universities, which will be capable of giving to the prospective business man the vocational training he needs, and which at the same time will effectually divert many individuals from a path which now leads them to the professional market upon the attainment of an academic degree.

Further evidence can be adduced easily. A professor of given rank who received a salary of \$2,000 in 1900 should, in the nature of things economic, have received \$6,000 in 1925. Yet, while the income of citizens in gold dollars increased on the average 200 per cent between 1900 and 1925, that of professors increased only about 100 per cent. Assistant professors were not so fortunate; their increase was about 87 per cent. In 1926-27 the average salaries paid to professors in institutions of learning of the types listed were as follows: liberal arts colleges, \$2,958; agriculture, \$3,149; commerce, \$3,307; education, \$3,438; engineering, \$2,989; fine arts, \$2,633; law, \$5,197; medicine, \$3,391; music, \$2,388, and theology, \$3,889.

To place this problem on a basis where comparisons can easily be made, it may be said that \$3,000 a year will buy a young or unsuccessful salesman, a low-grade business department head, an almost average foreman, a low-grade associate professor or high-average assistant professor. It will also buy an army captain, a navy lieutenant, a high assistant or low associate in the professional grades of the United States Government. For \$6,000 a year you can buy a low-grade assistant treasurer, a low-grade district manager, an average salesman, a good average division superintendent or assistant purchasing agent, a low-average em-

ployment or office manager, but a well-paid dean, a high-grade professor, or a high-average principal in the professional grades of the United States Government. For \$9,000 a year you can purchase a major general and almost a rear admiral; you can secure a high-average district manager, a low-average controller, a high-average assistant purchasing agent, or a really good salesman. But the same \$9,000 will also purchase an average college president, a high-grade dean, a very exceptional professor, the head of a large government bureau in Washington or a director of research or of regulatory work for a department like that of agriculture.

Dr. William A. Noyes of the University of Illinois concluded in 1930, after making an elaborate study of salaries paid to professors in the United States, that "the executives of our colleges and universities should redouble their efforts to secure equitable salaries for their professors." He declared also that "chemists who are employed as teachers in our best colleges and universities are receiving far less than their fair share of the threefold producing power gained by the country during the last twenty-five years." In its issues for July 12 and 19, 1929, *Science*, a representative journal of the learned professions, presented an array of arresting statistics to prove that the salary schedules of college and university professors and of scientifically trained men and women were ridiculously low. But only Harold F. Clark of Teachers College, Columbia University, really faced the facts when he wrote:

"Some one else may suggest that we need more agitation, more discussion of higher salaries. We can see no reason to think that agitation will be much more effective in raising salaries than it is in raising the price of wheat. Each farmer in the country might spend an hour a day urging people to pay \$2.50 per bushel for wheat, but the talking would have

almost no effect in raising the price of wheat. As long as world conditions of supply and demand remain about as they are, people can buy wheat for less than \$2.50 a bushel and no amount of talking will persuade them to pay more. As long as present conditions of supply and demand of trained or partially trained university people remain about as they are, university authorities can obtain about the present level of ability at about the present salaries, and discussion will not lead them to pay a great deal more."

Trained workers do not receive high salaries merely because they are educated and trained; in a profit economy salaries come to them only because there is a scarcity of educated and trained workers. It is necessary to relate supply and demand in this sphere of human activity if salaries in the learned professions are to be raised. For the future of science it is also more important that the supply of workers be limited strictly to those who can be placed at adequate salaries than it is to train or partially train legions of incompetents to go forth and depress the market.

These facts speak for themselves. When the salaries of men with the highest grade of professional training bear the relation they do to salaries paid in business and in industry to men of far more restricted mental training and equipment, the professions must be seriously overcrowded. Any rational reorganization of such professions as medicine, dentistry and nursing would enable still fewer workers to give more adequate service.

Although types unable to profit by college or university training could be kept out of higher educational institutions, many State universities are compelled to take the stamped and certified high school product without further ado, and even when the product is decidedly below standard. A rigid effort on the part of institutions of higher learning to separate the chaff from the wheat would also

ultimately operate in such manner as to lessen professional overcrowding.

In the past thirty years there has been an increase of from 120,000 to 850,000 college and university students in the United States. In the near decade there was an increase at the rate of 20,000 annually, but for the years immediately following the war the number reached 50,000.

In more recent years, however, a neap tide can be noted. During 1928-29 the rate of increase in the number of students at ninety representative institutions was only 1 per cent over the previous year; for 1927-28, the rate was only 2 per cent. Dean Raymond Walters of Swarthmore declared recently that in 1930 there was an actual increase of 3.5 per cent in the number of full-time students in approved American colleges and universities, but in 1931, the gain over the preceding year was only 0.6 per cent. Apparently at first the economic depression stimulated college attendance; young people could not find employment, so their parents sent them to college as the best way of disposing of them.

Nevertheless, since 1928, the upward surge of college attendance has definitely been checked. In addition to the business depression, causes are to be found, in part, in the decreased birth rate, restricted immigration and the limitations of the colleges themselves since they could not possibly accommodate all those who wanted to attend. With a decline in the number of students or the attainment of more fixed size, time and energy can be devoted to real educational work.

Now is the time to welcome the good, average student who has a serious purpose and a capacity for hard work. As the clamor of all sorts of young people to enter colleges and universities is stilled, heightened educational standards may be gained and at the same time the overproduction of the learned restricted so that the college need not lead to the breadline.

The Burden on the Railroads

By CHARLES FREDERICK CARTER

OPERATING revenues of Class I railroads declined more than 20 per cent in 1931 from the total of 1930, which was a very bad year; passenger revenue decreased more than 53 per cent from 1920; net income for the year was less than 2 per cent.

At first sight these facts might seem of importance only to the railroads. But the situation takes on a new and more serious aspect when it is remembered that in normal times the railroads require 20 per cent of the country's steel production, that the cumulative effect of two years of bad business has been the virtual cessation of steel consumption by the railroads and that this undoubtedly helped to bring about the deficit which the United States Steel Corporation in the last quarter of 1931 showed for the first time in 31 years. Diminished railroad revenue likewise means fewer employees earning wages to buy goods, and this in turn leads to less work in an endless list of industries, and so on in an ever widening vicious circle.

All this is so obvious that it hardly needs statement, and yet the difficulties of the railroads do not stop here, but lead to others affecting the personal fortunes of almost every one without exception, so that the question of relieving the railroads of their unjust handicaps becomes a matter of deep concern to the whole community.

How intimately the welfare of the railroads is bound up with the financial stability of the nation is demonstrated by the figures showing the extent to which our money has been put into railroad securities. Directly and

indirectly, through bank deposits and life insurance policies, savings are invested to a greater extent in railway securities than in any other, except United States government bonds. Of the total of \$10,703,000,000 in railroad bonds outstanding at the end of 1931, approximately \$3,000,000,000 were held by life insurance companies as a part of assets protecting 50,000,000 policy holders. Mutual savings banks, with 13,000,000 depositors, held \$1,700,000,000; member banks of the Federal Reserve System \$987,000,000; non-member banks \$300,000,000; trust companies, fire and casualty insurance companies, charitable and other organizations approximately \$1,500,000,000. No wonder that the fall in price of railroad bonds—from a few points in some cases to as much as 50 points in others—has caused anxiety and even alarm. Depreciation has wiped out many surplus accounts and even impaired the capital of great institutions.

The laws of some States stipulate that bonds of railroad companies are legal investments for savings banks and insurance companies only if the companies earn at least one and a half times their fixed charges. This is a rule considered so sound that it is followed also in States which have not actually translated it into law. But in 1931 seventy-two individual railroad companies failed by \$90,000,000 to earn their fixed charges, and apparently during 1932 this condition will become worse unless methods are devised to increase net earnings.

In the midst of this depressing situation the railroads this year must meet obligations amounting to \$280,096,902 which fall due. These bonds

must be paid or refunded, perhaps at higher interest rates. Before Dec. 31, 1935, \$1,334,265,309 of railroad obligations fall due, while by the end of 1940, a grand total of \$2,451,494,136 will have matured. So much for bonds which constitute 56.1 per cent of the total of railroad securities in the hands of investors.

Stockholders are in an even worse plight than those who have invested in railroad bonds. Common stocks of forty-six important railroads are listed on the New York Stock Exchange; at the beginning of 1931 thirty-one were paying dividends, but by the end of the year only six had been able to maintain the same dividend rate. Seventeen railroads, with 182,073 shareholders, omitted dividends altogether during 1931, while eight others reduced the dividends paid to 354,945 shareholders. The average dividend rate of thirty-one common stocks which paid dividends at the beginning of 1931 was 7.26 per cent; at the end of the year the average was 2.81 per cent. Moreover, a number of preferred dividends were discontinued during the year. Even so, one must remember that never have dividends been paid on all outstanding railroad shares, in the last twenty years the percentage of barren stocks ranging from approximately 43 to 23 per cent. To cap the climax, the market value of stocks in the forty-six railroads listed declined during the year from an aggregate of \$4,600,000,000 for shares having a par value of \$5,763,000,000, to \$1,100,000,000 at the end of the year. This loss of income and of investment value was distributed among 840,000 shareholders in Class I railroads.

Railroad labor has suffered still more severely. In 1926, the peak year for the railroads, 1,805,780 employes earned a total wage of \$2,990,441,936—an average of \$1,656. By 1929 the number of employes had been reduced to 1,686,789; their aggregate wages to \$2,941,000,000. In 1931 the number of employes dropped still further—to 1,285,000—and the wages paid to \$2,-

150,000,000. At the recent conference in Chicago between the railroad executives and the representatives of the railroad brotherhoods a further reduction in pay, estimated at \$210,000,000 for the current year, was agreed upon. This amounts to a reduction of \$1,050,000,000 in annual earnings of railroad employes in five years, of which the greater part would have been spent among retail merchants throughout the country. That in itself is enough to make the business depression seem real. It also means that presumably 520,000 former railroad employes are now idle and earning nothing at all.

The brotherhoods, during the recent wage conference, in discussing the fixed charges of the railroads to meet their obligations to investors, pointed out that no similar obligation existed as far as the employes were concerned, although they had "invested their lives in the industry. They must meet the fixed charges of subsistence for themselves and their families, and they can only meet these fixed charges through being employed and receiving wages. Their wages have never permitted them to accumulate reserves to protect them in extended periods of unemployment. The railroad companies provide no such reserves to protect the human investments in the industry. Yet the fixed charges of more than 500,000 unemployed workers and their families must be met somewhere, somehow. Another 500,000 men whose part-time employment does not provide income sufficient to meet more than part of their fixed charges also command attention."

The railroad problem not only affects this large number of workers but the many others who in normal times earn a livelihood by producing materials and supplies for railroad use. In addition to the 20 per cent of the total production of steel already mentioned, the railroads consume 20 per cent of the total production of lumber and fuel oil and 25 per cent of the output of bituminous coal, as well

as a wide range of other materials. Railroad purchasing agents and storekeepers must assemble stocks of supplies which approximate 50,000 items.

Purchases of equipment, materials and supplies from manufacturers were reduced from \$1,350,000,000 in 1929 to \$639,000,000 in 1931; purchases of fuel from \$364,392,000 to \$224,000,000; while purchases of all kinds were reduced \$851,892,000, or 50 per cent. The wages which would have been earned in producing these supplies at the 1929 rate must be added to the lost \$1,000,000,000 in railroad wages which will not be in circulation this year. Here is part of the explanation why so many storerooms are for rent; why their owners will have to forego their annual trips to Europe; why so many millions of dollars must be contributed to relief funds; why bankruptcies rise to unprecedented totals.

Causes for these conditions are not hard to find. The most obvious is naturally the world-wide business depression, which has greatly reduced the volume of railroad traffic. But the consistently repressive railroad policy of the United States Government, exercised through the Interstate Commerce Commission, must bear much of the blame. The transportation act of 1920 provided that the Interstate Commerce Commission should establish rates which would enable the railroads to earn a "fair return" on money invested in property devoted to transportation uses. Having confidence in the good faith of the law, the railroads, by the end of 1929, added \$6,855,000,000 to their investment in property devoted to transportation uses. The Interstate Commerce Commission was zealous in observing its mandate to regulate rates, but it regulated them uniformly downward—a total of 15.6 per cent in the nine years—resulting in a cumulative loss in freight revenue during that period of \$5,769,835,000. If the railroads had been permitted to accumulate substantial funds as a reserve they

would have been able to weather the current financial storm.

That is only a part of the story. Commissioner Joseph B. Eastman is a consistent and active supporter of government ownership of the railroads. He not only advocates this policy, but all his official acts and influence tend toward its adoption. Loss of revenue in violation of Congressional mandate and official repression are in themselves sufficient to provide all the trouble any reasonable corporation ought to ask, but there are other contributory factors peculiar to the railroads, many of them created by their own management.

Pioneer railroad builders led the march of progress by opening up the country to settlers. The first phase of our present railroad problem arose from the general desire for transportation on any terms. As construction of extensive mileage to connect scattered poverty-stricken settlements with distant markets was a speculative venture, rather than a business enterprise, State, county, town and even individual aid was solicited for early railroad schemes. Some mid-Western States were brought to the verge of bankruptcy by obligations incurred to promote railroad building. Farmers in Wisconsin mortgaged their homes to raise money to help the Chicago, Milwaukee & St. Paul. When these mortgages were foreclosed, most of the farmers lost all they had. In numerous cases bonds were sold and proceeds pocketed with no thought of building the roads for which they were voted. From such background came the animosity to the railroads which was so familiar to the older generations.

Since securities of these speculative pioneer railroads could be sold only at heavy discounts the inevitable result was over-capitalization and burdensome fixed charges. But when did true Americans refuse to buy anything they did not need with money they did not possess? Tireless pro-

moters kept railroad enthusiasm ablaze, with results agreeable to themselves, until the need for transportation was not only met, but over-supplied, particularly in the agricultural West, where an average crop of wheat from ninety-two acres can be hauled to market in a single carload. As a logical consequence of over-building and over-financing, 1,152 railroad companies with 181,151 miles of track, capitalized at \$10,683,667,000, passed through bankruptcy before 1929.

Time and a widely followed practice of "plowing in" earnings have largely rectified early over-capitalization. At least, an average capitalization of \$105,661 per mile of line does not seem excessive when it is remembered that this average includes terminals, buildings and equipment; that a part of these lines is situated in busy manufacturing regions of the East; that considerable mileage is four-tracked and a much larger part double-tracked.

Yet the country is burdened with more railroads than are actually needed. Support of this excess mileage is provided by rates which amount to a surtax upon the country's transportation bill, paid by the shipper and passed along to the ultimate consumer. Examples of this needless railroad mileage are to be found from New York to Seattle in the West Shore Railroad, side by side with an older four-track line to Buffalo, the Nickel Plate from Buffalo to Chicago, the Chicago, Milwaukee, St. Paul & Pacific from St. Paul to Puget Sound. No additional public service is rendered by these surplus lines; instead they take the available, meager traffic which the older lines need. Travelers and shippers have the choice of six routes between Chicago and St. Paul. Although these six serve different intermediate territory for a part of the way, they compete for through traffic sufficient to support only one-third of their number. Probably the country would be as well off with one-

eighth less railroad mileage than it now has. From this situation has arisen the much-discussed proposal for railroad consolidation to provide for weaker roads which never should have been built.

But the railroads were built and their building led to the settlement of the West and the retention of California instead of allowing it to become the "Pacific Empire" which was proposed during the Civil War period. The competition for traffic has caused the railroads to render a great and unappreciated work of improving breeds of live stock, increasing productiveness of the soil and locating industries close to supplies of raw materials and to markets.

Competition for traffic has led also to less admirable practices—rebating, for example. From the beginning of commercial history every trader has tried to get the best of a bargain. But transportation, it has become recognized, differs from other kinds of business. Shippers who obtain special favors from railroads are in a position to destroy competitors denied such advantages. So the courts have held that railroads were "affected with a public interest." That is, having derived the right to do business from the public, they were obliged to treat all alike. Numerous laws have been enacted to enforce equal treatment. But rebating was hard to extirpate. Recent investigations by the Federal Trade Commission and Interstate Commerce Commission show that only the word "rebate" has been eliminated. The practice it denoted has survived under the more euphonious term of "reciprocal buying." This means that if a shipper buys transportation from a railroad the latter will buy something from the shipper at prices not too closely related to market values.

To cite a single example, there was introduced in evidence a letter from the traffic vice president of the New Haven complaining that his railroad was losing coal traffic to the New

York Central because the latter had a scheme for buying two tons of coal from producers for each ton of competitive coal shipped over its lines. The investigations also disclosed secret rates and altered waybills. Yet the laws are intended for the protection of railroads against such practices quite as much as for the protection of shippers.

An industry with an investment of \$26,000,000,000, earning more than \$6,000,000,000 annually for five consecutive years, consuming billions of dollars' worth of materials and supplies, has its attractions for captains of other industries. According to a report of the House Committee on Interstate and Foreign Commerce, fifteen leading railroads had 219 directorates filled by men who held directorates in 2,298 other corporations, including 391 in railroads which were not subsidiaries of the fifteen.

Here is to be found a fruitful source of railroad troubles. It is not humanly possible for so few men to give adequate consideration to these many important, diversified interests. Again, when conflicting or competing interests demand attention, the tendency is to reduce them all to a dead level of neutrality. Management is left to executives and their subordinates, which would be well enough were it not for the fact that knowledge of directors' conflicting interests kills initiative and leads to ossified bureaucracies.

Besides their other troubles, the railroads are now faced with various forms of competition. A few years ago the roads provided for 90 per cent of the country's total transportation; today they handle less than 77 per cent. It is an extraordinary thing to find that the railroads, which even in their primitive days demonstrated so conclusively their superiority to river and canal transportation, are now faced by a determined effort to

resurrect the outmoded form of transportation at popular expense. The only result has been to take needed traffic from the railroads.

Pipe lines, of which there are more than 100,000 miles representing an investment of more than \$2,000,000,000 now in service, take about 5 per cent of oil traffic that formerly moved by rail. Natural gas flowing through 65,000 miles of other pipe lines has displaced 95,500,000 tons of coal the railroads used to haul.

The most formidable competitor of the railroads, however, is the motor truck, operating on highways built and maintained at the expense of taxpayers, including the railroads. At the end of 1929, more than \$10,000,000,000 of taxpayers' money had been invested in highways. In the three years from 1926 to 1929 the sum spent on highways was \$6,126,559,000, but fees and taxes from the users of these highways amounted to less than 40 per cent of this sum. That is, highway traffic received a free contribution of \$3,683,343,000 in these three years. The appropriations for highways are increasing from year to year. Although these expenditures are not for the exclusive benefit of truck operators competing with the railroads, the practical effect is the same. Truck operators, at a cost of nominal license fees and small gasoline taxes, are now able to take from the railroads some 4 per cent of the total volume of traffic.

To cope with this growing competition railroad executives met in November, 1930, and issued for publication an expression of pious hope on the subject, and then dismissed it from their minds. At least, there are no outward indications that anything is being done to deal with it, nor are there any signs that Congress will take the initiative in solving the problem of unregulated transportation.

The Far Eastern Conflict

I—The Battle of Shanghai

By ALBERT GLEAVES

Rear Admiral, U. S. N., Retired

THE Japanese, flushed with their success in Manchuria and stung to fury by the boycott which has all but destroyed their trade with China, decided to stop the boycott once for all, and to settle other old scores with the Chinese. The Japanese army had had a great show in Manchuria and Siberia in which the navy had had little part, and to balance the glory of both arms of the service the Cabinet said, "We will let the navy handle this job." So, thinking perhaps that it would not be such a great task, Rear Admiral Shirokawa, who commanded the Yangtse squadron, was ordered to Shanghai.

Officially there is no war, because there has been no declaration of war; but if thousands of killed and wounded, villages laid waste with fire and sword, old men, women and children driven from their homes in freezing weather, does not constitute war, another name for the same thing will have to be invented. When it comes to indemnities and insurance this will be an important question for the courts to decide.

The first step toward hostilities was taken on Jan. 21, when Admiral Shirokawa presented certain demands to the Mayor of Shanghai. They were for the suppression of boycott activities and anti-Japanese associations and an apology to the Japanese Government. All these were at first refused.

The threats of the Japanese officials to enforce their demands if they were not complied with were followed by representatives of the Settlement,

mostly British, visiting the flagship and requesting Admiral Shirokawa to make a statement of his intentions. They informed him that they could not permit independent Japanese action within the Foreign Settlement.

The next day (Jan. 23) 400 marines arrived from Kure and were quartered in the Japanese Settlement in Hongkew. At the same time a Japanese cruiser and four destroyers arrived in the harbor. These reinforcements brought the Japanese naval strength up to three cruisers, five destroyers and a gunboat, while their landing party now numbered 1,300 men. Simultaneously at Nanking protests and demands were made similar to those of Admiral Shirokawa and the Japanese Consul General. This action alarmed the Chinese in Shanghai, who started digging trenches, erecting sandbag barricades and placing in position the heavy iron gates used on such occasions. The Volunteer Corps of the Settlement, organized ninety years ago, mobilized and prepared for active service. The garrison of Fort Nanking was reinforced. The greatest excitement prevailed. American Consul General Cunningham, the dean of the consular corps, called a conference, at which he said he thought Japan meant business, but he did not think she would interfere with the Foreign Settlement, although the Temple of the Queen of Heaven in the Foreign Settlement at Hongkew was the headquarters of the boycott association. It was considered

strictly Chinese property and was excluded from foreign jurisdiction. On Jan. 23 the association closed its offices and ceased operations.

In the meantime Chinese troops had been coming into the city, and on Jan. 25 it was estimated that there were in the area 17,000 men, of whom 7,000 were at Chengzu near by guarding the wireless station and 10,000 distributed between the forts and Chapei. Against this force the Japanese could oppose only 1,500 bluejackets and marines. For fear of damaging the foreign area Admiral Shiro-sawa was loath to use the guns of his vessels in the river. Japanese reinforcements of ships and men also continued to arrive. Feverish preparations continued in the Settlement; all the roads were patrolled by Chinese soldiers and volunteers and by Sikh policemen armed with rifles. United States marines were posted in the area between the British Consulate and Soochow Creek. Business was paralyzed.

On Jan. 27 a twenty-two-hour ultimatum was sent to the Mayor of Shanghai. Chinese merchants pleaded with him to accede to all demands, as their trade was being ruined. When it became evident that the Japanese were bent on drastic action, the Mayor yielded before the ultimatum expired at 5 P. M. on Jan. 28. But it was too late to save the situation, and the Shanghai authorities realized that the Admiral had to save his face.

The leading representatives of the Settlement at 4 P. M. declared a state of emergency, which virtually means martial law, and the Volunteer Corps and all the defense forces were called out. At this time the foreign troops in the Settlement consisted of the Fourth Regiment of United States Marines, 50 officers and 1,159 men commanded by Colonel R. S. Hooker, and a British regiment, 100 officers and 2,170 men. The Japanese force under Admiral Shiro-sawa consisted of twenty-three warships of various classes which

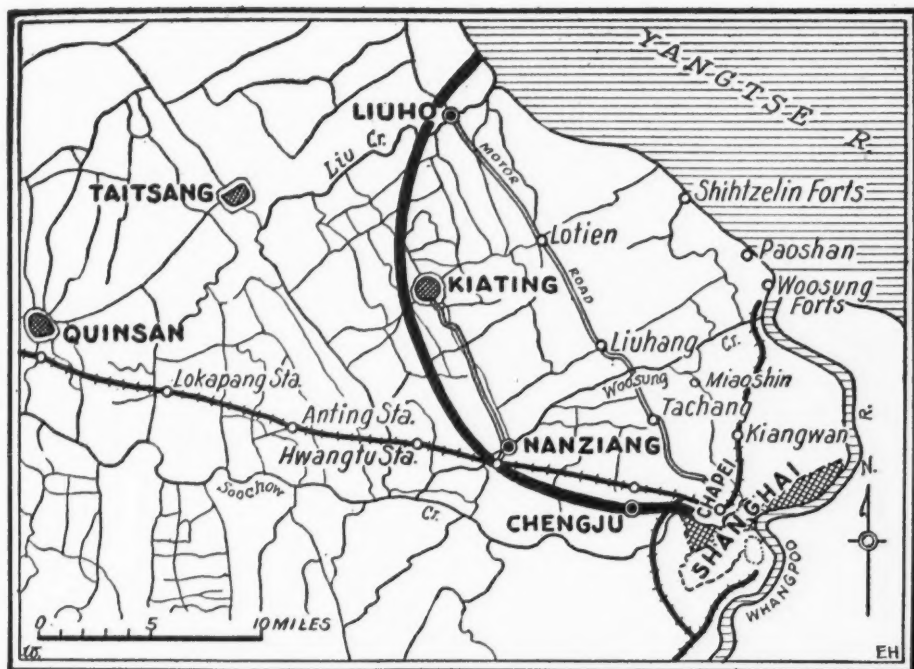
could put on shore a landing party of 1,500 bluejackets.

The excitement increased; thousands of refugees from the Hongkew side poured into the area around the boundaries of the British and French Concessions, into the native Chinese city of Shanghai, congesting all the bridges across Soochow Creek which were guarded by police provided by the Settlement authorities. Most of these people were burdened by their household effects which they carried in their hands, the only vehicles available being a few wheelbarrows. Only 12,000 Japanese civilians remained in Shanghai and these were ordered by the Japanese Consul General to go to Hongkew; 15,000 Japanese had fled to Japan.

The Japanese could not declare martial law in the Foreign Settlement, in which were several thousands of their countrymen, but they announced that they would enforce all defensive measures. They armed plain-clothes men, who caused much trouble.

As the Chinese soldier usually has no heavy clothing, he prefers campaigning in mild weather. The weather conditions at the end of January were therefore propitious for the invaders, and no doubt the Japanese had this in mind when the campaign was planned. There were few days of sunshine during the fighting, and when March came it was accompanied by heavy rains, which were bad for the troops and also for the tanks.

Shortly before midnight on Jan. 28, in cold, falling weather, the Japanese landing party, armed with rifles, pushed their way through the crowded narrow streets of Hongkew, and a few minutes after 12 P. M. they attacked the sleeping town of Chapei, which was unfortified and supposed to be defenseless. Six planes at the same time dropped flares and 34-pound bombs on the thousands of wooden shacks. Instantly fires were started, which burned fiercely for days and nights. The town was de-



THE JAPANESE FRONT AT SHANGHAI

The semi-circle marks the front which Japan on March 7 announced she would maintain pending diplomatic negotiations. Light lines show creeks and canals

fended by detachments from China's Nineteenth Route Army, which, after bloody struggles in the streets, drove the Japanese sailors back before they reached their objective, the North Station. But the planes bombed the station and the huge Commercial Press Building, both of which were soon in flames. The Japanese blue-jackets retired behind the Woosung railway, and there they dug in. At daylight the Chinese artillery at North Station began to shell the west end of Hongkew. During the night more than a square mile of Chapei was destroyed.

The attack on Chapei, although not unexpected, gave the world what one correspondent spoke of as the "jitters." The stout resistance of the Chinese astonished the Japanese, for it was entirely unexpected, but in a measure it prepared them for what was to follow. For thirty-five days

fighting in this area continued. Attacks and counter-attacks were made day and night. The electric lights were shot out and the wires cut, the city being put in complete darkness save for the flares from airplanes and the flashes of the guns. A pall of smoke, heavy with the stench of unburied bodies, hung over Chapei or was blown down on the Foreign Settlement when the wind was from the north. Scenes of wildest disorder prevailed in some sections where there was no qualified force to handle the situation. Damage to Chapei, where 10,000 warehouses and factories were destroyed, is estimated at \$10,000,000. Looting and rioting and sniping were practically unchecked.

The battle of Chapei was a momentous event in the history of Japan. If she could have gazed into the crystal on Jan. 28 or could have remembered the words of King Lear, "that way

madness lies," she might have adopted other and more peaceful means to settle her quarrel with China.

The attack on the Woosung forts began simultaneously with the attack on Chapei and continued at intervals until the fall of Kiangwan on March 2. These forts were about twenty feet high and stood on the mud flats at the mouth of the river. Their armament consisted of four 9-inch breech loaders, ten 4.7-inch and 6-inch quick-firers and several old muzzle-loaders. There were underground passages which gave some protection from air bombs. The Japanese evidently thought the forts would afford simple target practice for the destroyers which, co-operating with the airplanes, were sent to attack them. The resistance of the forts was astonishing, but their gun practice was poor. Although the Japanese destroyers, after the manner of du Pont at Port Royal, steamed around in an ellipse and presented a moving target, they were so close in that it should have been an easy matter to dispose of them. Only one destroyer appears to have been damaged, not by gun-fire, but by grounding. Why the forts which fought so gallantly for weeks against the attacks by land, air and water remained mysteriously silent when the Japanese transports loaded with troops and stores passed under their guns has not been explained. An opportunity was missed to inflict irreparable disaster to Japanese arms. When the forts were dismantled a few days after their evacuation the guns were sent to Japan as war trophies.

Five weeks of artillery duels and air bombings followed the battle of Chapei. Heavy reinforcements were received by both sides. The Chinese extended their lines to the northward through Kiangwan and Paoshan facing the Japanese line, which lay along the northern boundary of Hongkew. The Japanese division with Major General Uyeda had landed in Hongkew in violation of treaty agreements and the naval brigade was relieved by

the soldiers, but before returning to their ships the marines and blue-jackets made another attack on Chapei and were again repulsed.

When it became known that other Japanese transports were to make landings at Liuho, the Chinese withdrew their line from the north boundary of the Hongkew Settlement and swung it around on Chapei as a pivot until it reached Kiangwan, which thereafter, until the great retreat began, became the focal point. This movement was to avoid being caught between the pincers formed by the new troops and those at Hongkew. Japanese engineers constructed motor roads in this area for the transportation of the infantry, the strategy being to bend back the left wing of the Chinese, press it down to the river, and if possible attack it in the rear.

Admiral Nomura, who is well-known to American officers and has a reputation for efficiency, arrived on Feb. 9 and relieved Rear Admiral Shiroswawa. It was now evident that the Japanese intended major operations, and the foreigners in the Settlement became uneasy, though they felt considerably relieved when they saw the American flagship *Houston*, followed shortly by the British flagship *Kent* and the cruiser *Berwick*, steam up the river. President Hoover had on Jan. 31 ordered our Asiatic fleet to Shanghai and an infantry regiment from Manila. The American troops were on board the *Chaumont*, which accompanied Admiral Taylor, and were landed at once. The *Berwick* landed a battalion of Argyle and Sutherland Highlanders. All these troops proceeded to their assigned areas in the concession.

Desperate fighting occurred on Sunday, Feb. 14, at Woosung, where the Japanese are reported to have lost heavily in killed and wounded. Troops continued to arrive from Japan. General Uyeda came with the transports and immediately put the troops on the Chapei-Kiangwan line. After a

severe struggle at the junction of the Chapei-Kiangwan lines, the Japanese were repulsed by armored motor cars.

The fighting continued throughout February. The Japanese used all their arms—machine guns, tanks, rifles and artillery. Foreign observers reported their equipment to be in every way most up-to-date. Horses, mules and ponies were also brought over in great numbers, as well as immense quantities of ammunition and stores of all kinds. It was evident that a prolonged campaign was intended. The Chinese Army had also received heavy reinforcements and ample stores, but the question of ammunition was causing them trouble. By Feb. 16, 120,000 Chinese troops were concentrated in the trench lines and fortifications at Shanghai and Woosung. A heavy bombardment took place on the night of Feb. 16 and lasted until the next morning, during which guns were fired at ten-second intervals to check Chinese reinforcements from Chengju.

Great care had been taken on both sides to avoid damage to the concessions south of Soochow Creek, but undoubtedly Hongkew suffered severely, and will have a big bill for damages to render when the campaign is at an end. A few shells dropped in the British concession, and several times our marines have been under fire. Two mines exploded in the river, one near Admiral Nomura's flagship, and the other near the cruiser Oi.

Several parleys took place between the combatant leaders but without result. On Feb. 19 General Uyeda proposed to General Tsai Ting-tai that he completely evacuate the first line and also an area north of Shanghai of 248 square miles, and demanded the cessation of the boycott and the destruction of all the forts. These terms were rejected, and the Chinese prepared for battle.

The next day the Battle of Kiangwan began, and instantly blazed all the way to Woosung. The Chinese had brought up additional artillery with which they shelled the Japanese

trenches and the cruiser Yubari lying close inshore. An attempt was made, assisted by 180 airplanes, to turn the Chinese left flank, but failed. During the night the Chinese withdrew from the race-course area, the chief objective and the pivot on which General Uyeda expected to make his turning movement. The Battle of Kiangwan lasted until Feb. 28, fiercely fought for seven days and nights with heavy casualties. Every arm of destruction was used except gas. The lines surged forward and backward, at times so close together that Chinese infantry shot down the artillerymen at their guns. The Chinese retreat was conducted with remarkable secrecy to their second line, which ran north and south through Miaoshin, Tachang in the centre, to Chengju on the Shanghai and Hangchow railroad. This line was from one to three miles behind the first line.

When the Japanese entered the town of Kiangwan it was a scene of unspeakable horror, with only twenty living refugees remaining; inside the battered mud walls lay 1,600 unburied bodies. Before the visitation of this war it had been a thriving town, but now it was completely razed by air bombs, shell and fire. The public buildings and university with its priceless library are in ruins. The International race track, stables and club buildings have been destroyed. The statue of Sun Yat-sen, at the entrance of the college, was uninjured, except that the face was shot away. The Chinese had dug a trench at the statue, and there a few soldiers held out for days against the Japanese attack.

Reinforcements poured in from Japanese transports at Liuho almost daily while the battle was in progress. General Shirokawa, the new Commander-in-Chief, arrived at Liuho on March 1 and immediately assumed command. After the battle was over on March 2 the Japanese made a picturesque entry into Chapei at the North Station. Six bluejackets with fixed bayonets heading a small pro-

cession marched slowly across the battle lines, followed by a standard bearer carrying a large Japanese flag and another sailor with a small naval flag.

The Chinese continued their retreat to their third line, which approximately paralleled the second, and General Tsai Ting-kai established his headquarters at Quinsan, about thirty miles from Shanghai. The Japanese established their lines from Liuho southward to the Shanghai-Nanking railway in the neighborhood of Anting, then eastward along Soochow Creek to the International Settlement. It appeared as if General Uyeda's original plan had been achieved, for he had pushed back the Chinese army to the 12½-mile line and even farther.

Orders were now issued to the Commanders-in-Chief of both armies to cease hostilities, but in the afternoon of March 3 there was an engagement near Liuho between newly arrived reinforcements from Nanking and fresh Japanese troops just landed from the transports. Again at night firing broke out in the vicinity of Nanziang, and it was reported that the Japanese launched a severe offensive in that sector. According to the cable dispatches, each side blamed the other for breaking the truce.

Decisive effects were shown by the uncontested aerial mastery of the Japanese, which enabled them to destroy strong points of vital importance to the Chinese plans for resistance. Chinese failure to use air-

planes is one of the mysteries of the war. General Chang Kai-shek and Canton possess an abundance of aircraft, for China has spent tens of millions of dollars on this arm.

Estimates of casualties vary, but a conservative statement places the total losses of both armies at 23,000 killed and wounded, the Japanese total being 2,800. If the wounded of the Nineteenth Army totaled only 6,000 it would bring the Chinese losses to 20,000. On March 3 the property losses in Chapei and Kiangwan were estimated to exceed \$600,000,000 gold.

On March 7 the total number of Japanese troops of all arms in the Shanghai area was 70,000, but transports continue to arrive at Liuho with troops and stores. In spite of the truce arranged between General Tsai Ting-tai and the Japanese Commander-in-Chief, frequent clashes occurred between the two armies which were more serious than outpost affairs, especially in the Taitsang sectors involving 2,000 men and the attack by 600 Japanese on Lutu bridge near Liuho on March 3.

And so this undeclared war goes on. In closing the account up to the moment of writing it may not be inappropriate to quote from a funeral oration over the body of a Japanese officer killed in action, in which the speaker said that his "death on the battlefield *lays the foundation for the expansion of Greater Japan into the Yangtse Valley.*"

II—The Peacemakers' Task

By ARTHUR N. HOLCOMBE

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A NEW chapter in the history of the Sino-Japanese crisis opened on Feb. 12, when Dr. W. W. Yen, the Chinese representative at Geneva, appealed from the Council to the Assembly of the League. This appeal meant that the Chinese Govern-

ment had reached the end of its patience with the cautious diplomacy of the powers represented on the Council.

From Sept. 19, 1931, when the Chinese first brought the Japanese military operations in Manchuria to the attention of the Council, until Jan.

29, 1932, the proceedings at Geneva had taken place under Article XI of the covenant. Under this article the League, in case of war or the threat of war, may take any action that may be deemed "wise and effectual" to safeguard the peace of nations, and a meeting of the Council must be summoned on the request of any member of the League. The efforts of the Council to safeguard the peace under this article had culminated in the resolution of Dec. 10, authorizing the appointment of a commission of inquiry of five members representing the principal "neutral" powers to go to the Far East and investigate the dispute. The four European members of the commission left on Feb. 3 for the Far East by way of New York and with the American member reached Tokyo on Feb. 29. However wise the action of the League Council under Article XI may have been, the belated arrival of the commission in the Far East had certainly been rendered anything but effectual.

On Jan. 29, in view of the Japanese resort to armed force at Shanghai on the preceding day, Dr. Yen, the Chinese representative on the Council, invoked Articles X and XV of the covenant. Under the former article the members of the League undertake to respect and preserve against external aggression the territorial integrity and political independence of all members of the League, while the duty is imposed on the Council to advise what shall be done by members in case of such aggression. Article XV provides that any dispute between members of the League, likely to lead to a rupture and not submitted to arbitration or to judicial settlement, shall be submitted to the Council and that the Council shall try to effect a settlement. The proceedings of the Council under Articles X and XV also proved ineffectual to stop the fighting at Shanghai.

The local committee of representatives of the powers at Shanghai, organized by Sir Eric Drummond, the Secretary General of the League, in

order to supply reliable information to the Council on the state of affairs there, made a report—which was not published at Geneva in full until Feb. 14—asserting that since Feb. 3 a state of open war had existed at Shanghai.

Under Article XV of the covenant it is further provided that either party to a dispute which is before the Council may within fourteen days after the submission of the dispute to the Council demand that it be referred to the Assembly. It was this provision of the covenant under which Dr. Yen, a few hours before the expiration of the designated time, requested that the Assembly be convened for the purpose of effecting the settlement which the Council had failed to bring about. But Dr. Yen made his demand in such form as to encourage the Council to seek a settlement before the meeting of the Assembly, if possible, and the Council was manifestly reluctant to let the dispute pass out of its hands.

The demand for a special meeting of the Assembly was referred first to a committee of jurists, who reported on Feb. 19 that it was in proper form and that the Council should fix a date for the meeting. Since nearly all the members of the League were already represented at Geneva by delegates to the disarmament conference, the Council summoned the Assembly to meet on March 3.

Meanwhile the United States Government had adopted a firmer tone than that of the League Council. Secretary Stimson's note of Jan. 7 notified Japan and China that we would not recognize any situation, treaty or agreement entered into by the Japanese and Chinese Governments in violation of the Nine-Power treaty or the Kellogg pact, and affecting American rights in China.

This went beyond all admonitions so far addressed by the League or any of the powers to the governments of China and Japan, and constituted a plain warning that the government of the United States would not recognize the legality of claims founded on law-

less force and violence. But this warning was no more effectual than the milder remonstrances of the League Council in preventing bloodshed at Shanghai. On Feb. 12, when China filed its appeal to the League Assembly, the military operations at Shanghai were continuing on a still greater scale.

The first effect of the Chinese appeal to the Assembly was to stir the Council to greater efforts. On Feb. 16 Joseph Paul-Boncour of France, President of the Council, handed a note to Naotake Sato, the Japanese representative at Geneva, reminding the Japanese Government that the Council in its note of Jan. 29 had already urged China and Japan to avoid a disastrous breach between them, and emphasizing especially Japan's "incalculable responsibility before the public opinion of the world to be just and restrained in her relations with China." This note, issued by the twelve members of the Council other than the representatives of China and Japan, expressed regret that Japan had "not found it possible to make full use of the methods of peaceful settlement provided in the covenant," and recalled once again "the solemn undertaking of the Pact of Paris." The twelve signatories also declared that it was "their friendly right to direct attention to this provision [Article X of the covenant], particularly as it appears to them to follow that no infringement of the territorial integrity and no change in the political independence of any member of the League brought about in disregard of this article ought to be recognized as valid and effectual by the members of the League of Nations." Thus the twelve members of the Council supported the attitude which Secretary Stimson had expressed in his note of Jan. 7.

This was stronger than any previous expression of the Geneva authorities in fixing responsibility for resort to force and violence, both in Manchuria and at Shanghai, on the Japanese.

"The twelve members of the Council," it declared, "cannot but recognize that from the beginning of the conflict which is taking place on her territory China has had her case in the hands of the League and agreed to accept its proposals for a peaceful settlement." Japan's conduct, the note intimated, had contrasted unfavorably with that of China. The note closed with a reminder that Japan had acknowledged her responsibility for justice to China "in most solemn terms" by becoming one of the signatories to the Nine-Power treaty of 1922.

Such a plea was no ordinary diplomatic communication between governments, but a message from the representatives of enlightened opinion throughout the world to the people as well as the government of Japan.

The Japanese reply to the Geneva note of Feb. 16 was issued at Tokyo on Feb. 23. Foreign Minister Kenkichi Yoshizawa, in transmitting the Japanese statement, deplored the manner in which the Geneva note was prepared. It was not proper, he intimated, that twelve members of the Council should issue notes on matters within the Council's competence, which would better be dealt with by the Council as a whole or not at all.

In the first place, the Japanese Government denied that Japan had been the aggressor, when in fact it had acted on the defensive both in Manchuria and at Shanghai. Secondly, the appeal from Geneva was "intelligible," since it offered no positive suggestion for the cessation of the conflict at Shanghai. Thirdly, the Japanese Government could not admit that China had been any more willing than Japan to resort only to peaceful measures for a solution of the dispute, since China, as stated, had been the aggressor and Japan had resorted to force in self-defense, as was its right under all the peace treaties. Fourthly, the Japanese Government had no more violated Article X of the covenant by sending its forces to Shanghai than

had other powers when they did the same thing in 1927; no one had suggested then that the powers were violating any provision of the covenant. Fifthly, Japan entertained "no territorial or political ambitions whatsoever in China," and hence could not be said to contemplate any attack on the territorial integrity or independence of a member of the League in defiance of Article X. Sixthly, Japan was prepared to stand by all her obligations under the Nine-Power treaty, but could not discuss those obligations with powers other than those which signed that treaty. Seventhly, Japan denied that China was an "organized people" within the meaning of the League covenant, because there was "no unified control in China and no authority which is entitled to claim entire control in China." Finally, Chinese aggression was responsible for the resort to force by Japan, and the powers would be more helpful if they would propose some specific plan, such as the establishment of a "safety zone" around Shanghai, for the protection of Japanese subjects against Chinese aggression. A more radical proposal of the same kind, informally broached by a spokesman for the Japanese Foreign Office, hinted at the neutralization of the five chief ports of China, Shanghai, Hankow, Tientsin, Tsingtao and Canton.

The Japanese Government was evidently in no mood to acknowledge any wrongdoing on its part or to make any concessions to the Chinese for the sake of an immediate end to the fighting at Shanghai.

The Council of the League made no direct rejoinder to the Japanese reply of Feb. 23, but continued its efforts to bring about at least a cessation of the fighting at Shanghai before the meeting of the Assembly. Attempts at mediation between the local commanders of the Japanese and Chinese forces were instituted by diplomatic and naval officers of the principal powers stationed at Shanghai. The Japanese refused to cease military

operations until the Chinese forces should be withdrawn at least twelve and a half miles from the city, and the Chinese were unwilling to withdraw unless the Japanese would do likewise. Despite the talk of an armistice the fighting continued until March 3, when Japanese reinforcements threatened the communications of the Chinese army and forced a strategic retreat.

The most effective reply to the Japanese note of Feb. 23 was furnished by Secretary Stimson's open letter to Senator Borah, published on Feb. 24, the full text of which follows this article. This letter brought out clearly the fundamental issue between Japan and the Western powers, especially the United States. The Japanese Government had lost the confidence which it formerly professed in Chinese ability for self-rule under the strenuous conditions of the modern world, and believed some form of tutelage should be established by the powers. In Manchuria it was resolved to act without waiting for the cooperation of other powers, and it did not intend to be deterred from such action by anything which might be done by the government or people of China.

On the other hand, the Western powers, especially the United States, were resolved to stand upon their conviction that China should be treated as an independent member of the family of nations, according to the various treaties and agreements affecting the rights of her government and people. From this point of view the Japanese attitude and action threatened the authority of the League covenant and of the Kellogg Pact and raised the question whether the sanctions provided by these two treaties should be invoked. Article XVI of the covenant provides that, if any member of the League resorts to war in disregard of its obligations, it shall be deemed to have committed an act of war against all other members of the League, and shall be liable to punishment by means of a universal

boycott or, if necessary, by naval or military operations. The question of invoking these sanctions was one which would have to be faced by the Assembly of the League, when it should meet, if less drastic measures should fail. But first it would be necessary to declare officially that Japan had resorted to war, something which neither Washington nor Geneva had yet ventured to do. Under the Kellogg Pact there is no provision for any sanction other than that which may be supplied by the opinion of mankind, and the question of invoking such a sanction is one which the peoples of the various countries must ultimately decide for themselves.

Since it was well understood that the League could not successfully coerce Japan, whether by boycott or otherwise, without the concurrence of the United States, opinion in this country concerning the means to be employed in dealing with the Tokyo Government became of paramount importance. But the American public was slow to appreciate its responsibility for defining its attitude toward the Japanese operations in China, especially in that part known as Manchuria, and when the fighting in Shanghai attracted public attention no general view emerged. Some condoned the action of Japan; others condemned it. Of those who condemned it, some expressed only moral disapproval, others advocated a private boycott of Japanese goods, still others an official prohibition of the export of munitions to Japan or to both Japan and China. Most active were those who favored the concurrence by the United States, whatever measures the League might take; presumably, if mediation and conciliation should fail, a public boycott. Led by President A. Lawrence Lowell of Harvard University and Newton D. Baker, Secretary of War under President Wilson, thousands petitioned the President and Congress to notify the League that the American Government would concur in the economic

measures it might adopt to restore peace. But at the opening of the special session of the Assembly it was doubtful to what extent the American public would support concurrence in the measures of the League.

The special session of the League Assembly opened on March 3 with representatives of fifty nations present. Paul Hymans of Belgium was chosen president, and the first day was devoted to addresses by Joseph Paul-Boncour, President of the Council, W. W. Yen, Chinese Minister to the United States, and Tsuneo Matsudaira, Japanese Ambassador to Great Britain. Paul-Boncour, in an attempt to vindicate the Council's efforts to effect a settlement of the dispute, emphasized the difficulties caused by the absence from the League of the Soviet Union and the United States, two of the most important countries with Far Eastern interests. Yen urged that the Assembly should seek a settlement of all matters in dispute between China and Japan, including those relating to Manchuria as well as Shanghai, that it should declare that Japan had violated the covenant as well as the Kellogg Pact, and that it should recognize that China had not provoked Japan's aggression. Matsudaira replied that Japan had received ample provocation for its resort to force, which he insisted was defensive, and that China was not entitled to the same consideration as an orderly country with a stable and effective government. The reception of these addresses was complicated by uncertainty as to whether the fighting at Shanghai had ceased.

The most striking feature of the opening day of the special session was the moderation of the Chinese demands. The Chinese spokesman did not ask the Assembly to invoke immediately the sanctions provided by Article XVI of the covenant, but urged continued efforts for a settlement by negotiation, in the hope that the moral forces of the world might

prove strong enough to secure justice for China. In the subsequent sessions the representatives of the Great Powers indicated their reluctance to adopt measures which might involve them in efforts to coerce Japan by economic pressure or physical force, and the representatives of the lesser powers, though clearly believing that Japan was in the wrong, hesitated to take steps which would embarrass the Great Powers. On March 4 the Assembly unanimously resolved to call upon China and Japan to cease hostilities, to request other powers having special interests in the Shanghai area to keep the Assembly informed of proceedings there and to recommend a general conference at Shanghai to arrange a permanent armistice and regulate the withdrawal of the Japanese forces. Meanwhile the Chinese forces had retired beyond the twelve and a half mile line mentioned in the Japanese ultimatum and the Japanese forces had occupied all the intervening area and were reported also to have gone beyond the line.

The League Assembly remained in session for a week after adopting the resolution of March 4. The Japanese were unwilling to let go the advantages of their military position without receiving political concessions by the Chinese, such as an admission that the disputes arising out of the operations at Shanghai and in Manchuria should be dealt with separately and that the boycott should be ended. The Chinese did not wish to surrender the advantages of their moral position until the Japanese forces should have evacuated Chinese territory and should have recognized the inseparability of the disputes. The dissatisfaction of the delegations with the policy of Japan became increasingly clear, as did also their indisposition to invoke the sanctions of Article XVI.

Finally on March 11 the Assembly adopted three more resolutions. The first declared it incumbent upon members of the League "not to recognize any situation, treaty or agreement

which may be brought about by means contrary to the covenant." Thus the Assembly formally accepted the American policy of denial that legal rights may be based upon lawless force. Secondly, in pursuance of the resolution of March 4, it requested that the Powers with special interests in the Shanghai settlement cooperate, if necessary, in maintaining order within the zone to be evacuated by the Japanese forces. Thirdly, it decided to set up a special committee of mediation and conciliation, consisting of the president of the Assembly as chairman, the twelve members of the Council other than the Chinese and Japanese members, and six additional members representing members of the League not represented on the Council, to be chosen by the Assembly. This committee was to do what might be possible under Article XV of the covenant to restore peace in the Far East and to report to the Assembly not later than May 1.

Secretary Stimson, after studying the text of the resolutions adopted by the League Assembly on March 11, and after a conference with President Hoover, stated: "The nations of the League at Geneva have united in a common attitude and purpose toward the perilous disturbances in the Far East. The action of the Assembly expresses the purpose for peace which is found both in the Pact of Paris and the covenant of the League of Nations. In this expression all the nations of the world can speak with the same voice. This action will go far toward developing into terms of international law the principles of order and justice which underlie those treaties and the Government of the United States has been glad to cooperate earnestly in this effort."

Mr. Stimson was obviously delighted with the action taken. The Assembly was supporting the views set forth by the United States in its identical note of Jan. 7, 1932, to Japan and China and amplified by the Secretary of State in his letter to Senator Borah.

III—Text of the Stimson Letter

THE text of the letter of Secretary of State Stimson to Senator Borah, chairman of the Senate Foreign Relations Committee, made public in Washington on Feb. 24, is as follows:

My dear Senator Borah:

You have asked my opinion whether, as has been sometimes recently suggested, present conditions in China have in any way indicated that the so-called Nine-Power treaty has become inapplicable or ineffective or rightly in need of modification, and, if so, what I considered should be the policy of this government.

This treaty, as you, of course, know, forms the legal basis upon which now rests the "open door" policy toward China. That policy, enunciated by John Hay in 1899, brought to an end the struggle among various powers for so-called spheres of interest in China which was threatening the dismemberment of that empire.

To accomplish this Mr. Hay invoked two principles:

(1) Equality of commercial opportunity among all nations in dealing with China, and

(2) As necessary to that equality the preservation of China's territorial and administrative integrity.

These principles were not new in the foreign policy of America. They had been the principles upon which it rested in its dealings with other nations for many years. In the case of China they were invoked to save a situation which not only threatened the future development and sovereignty of that great Asiatic people but also threatened to create dangerous and constantly increasing rivalries between the other nations of the world.

War had already taken place between Japan and China. At the close of that war three other nations intervened to prevent Japan from obtaining some of the results of that war claimed by her. Other nations sought and had obtained spheres of interest.

Partly as a result of these actions a serious uprising had broken out in China which endangered the legations of all of the powers at Peking. While the attack on those legations was in progress Mr. Hay made an announcement in respect to this policy as the principle upon which

the powers should act in the settlement of the rebellion. He said:

"The policy of the government of the United States is to seek a solution which may bring about permanent safety and peace to China, preserve Chinese territorial and administrative entity, protect all rights guaranteed to friendly powers by treaty and international law, and safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire."

He was successful in obtaining the assent of the other powers to the policy thus announced.

In taking these steps Mr. Hay acted with the cordial support of the British Government. In responding to Mr. Hay's announcement, above set forth, Lord Salisbury, the British Prime Minister, expressed himself "most emphatically as concurring in the policy of the United States."

For twenty years thereafter the open door policy rested upon the informal commitments thus made by the various powers. But in the Winter of 1921 to 1922, at a conference participated in by all of the principal powers which had interests in the Pacific, the policy was crystallized into the so-called Nine-Power treaty, which gave definition and precision to the principles upon which the policy rested. In the first article of that treaty, the contracting powers, other than China, agreed:

1. To respect the sovereignty, the independence and the territorial and administrative integrity of China.

2. To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government.

3. To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China.

4. To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States, and from countenancing action inimical to the security of such States.

This treaty thus represents a carefully developed and matured international policy intended, on the one hand, to assure to all of the contracting parties their rights and interests in and with regard to

China, and on the other hand, to assure to the people of China the fullest opportunity to develop without molestation their sovereignty and independence according to the modern and enlightened standards believed to maintain among the peoples of this earth.

At the time this treaty was signed it was known that China was engaged in an attempt to develop the free institutions of a self-governing republic after her recent revolution from an autocratic form of government; that she would require many years of both economic and political effort to that end, and that her progress would necessarily be slow.

The treaty was thus a covenant of self-denial among the signatory powers in deliberate renunciation of any policy of aggression which might tend to interfere with that development. It was believed—and the whole history of that development of the "open door" policy reveals that faith—that only by such a process, under the protection of such an agreement, could the fullest interests not only of China but of all nations which have intercourse with her best be served.

In its report to the President, announcing this treaty, the American delegation, headed by the then Secretary of State, Mr. Charles E. Hughes, said: "It is believed that through this treaty the 'open door' in China has at last been made a fact."

During the course of the discussions which resulted in the treaty, the chairman of the British delegation, Lord Balfour, had stated that: "The British Empire delegation understood that there was no representative of any power around the table who thought that the old practice of 'spheres of interest' was either advocated by any government or would be tolerable to this conference. So far as the British Government were concerned, they had, in the most formal manner, publicly announced that they regarded this practice as utterly inappropriate to the existing situation."

At the same time, the representative of Japan, Baron Shidehara, announced the position of his government as follows: "No one denies to China her sacred right to govern herself. No one stands in the way of China to work out her own great national destiny."

The treaty was originally executed by the United States, Belgium, the British Empire, China, France, Italy, Japan, The Netherlands and Portugal. Subsequently it was also executed by Norway, Bolivia, Sweden, Denmark and Mexico. Germany has signed it, but her Parliament has not yet ratified it.

It must be remembered also that this treaty was one of the several treaties and agreements entered into at the Wash-

ington conference by the various powers concerned, all of which were interrelated and interdependent.

No one of these treaties can be disregarded without disturbing the general understanding and equilibrium which were intended to be accomplished and effected by the group of agreements arrived at in their entirety.

The Washington conference was essentially a disarmament conference, aimed to promote the possibility of peace in the world, not only through the cessation of competition in naval armament, but also by the solution of various other disturbing problems which threatened the peace of the world, particularly in the Far East. These problems were all interrelated.

The willingness of the American Government to surrender its then commanding lead in battleship construction and to leave its positions at Guam and in the Philippines without further fortification was predicated upon, among other things, the self-denying covenants contained in the Nine-Power treaty, which assured the nations of the world not only of equal opportunity for their Eastern trade, but also against the military aggrandizement of any other power at the expense of China.

One cannot discuss the possibility of modifying or abrogating those provisions of the Nine-Power treaty without considering at the same time the other promises upon which they were really dependent.

Six years later the policy of self-denial against aggression by a stronger against a weaker power, upon which the Nine-Power treaty had been based, received a powerful reinforcement by the execution of substantially all the nations of the world of the Pact of Paris, the so-called Kellogg-Briand pact.

These two treaties represent independent but harmonious steps taken for the purpose of aligning the conscience and public opinion of the world in favor of a system of orderly development by the law of nations, including the settlement of all controversies by methods of justice and peace instead of by arbitrary force.

The program for the protection of China from outside aggression is an essential part of any such development. The signatories and adherents of the Nine-Power treaty rightly felt that the orderly and peaceful development of the 400,000,000 people inhabiting China was necessary to the peaceful welfare of the entire world, and that no program for the welfare of the world as a whole could afford to neglect the welfare and protection of China.

The recent events which have taken place in China, especially the hostilities, which, having been begun in Manchuria,

have latterly been extended to Shanghai, far from indicating the advisability of any modification of the treaties we have been discussing, have tended to bring home the vital importance of the faithful observance of the covenants therein to all of the nations interested in the Far East.

It is not necessary in that connection to inquire into the causes of the controversy or attempt to apportion the blame between the two nations which are unhappily involved; for, regardless of cause or responsibility, it is clear beyond peradventure that a situation has developed which cannot, under any circumstances, be reconciled with the obligations of the covenants of these two treaties, and that if the treaties had been faithfully observed such a situation could not have arisen.

The signatories of the Nine-Power treaty and of the Kellogg-Briand pact who are not parties to that conflict are not likely to see any reason for modifying the terms of those treaties. To them the real value of the faithful performance of the treaties has been brought sharply home by the perils and losses to which their nations have been subjected in Shanghai.

This is the view of this government:

We see no reason for abandoning the enlightened principles which are embodied in these treaties.

We believe that this situation would have been avoided had these covenants been faithfully observed. And no evidence has come to us to indicate that a due compliance with them would have interfered with the adequate protection of the legitimate rights in China of the signatories of those treaties and their nations.

On Jan. 7 last, upon the instruction of the President, this government formally

notified Japan and China that it would not recognize any situation, treaty or agreement entered into by those governments in violation of the covenants of these treaties, which affected the rights of our government or its citizens in China.

If a similar decision should be reached and a similar position taken by the other governments of the world, a caveat will be placed upon such action which, we believe, will effectively bar the legality hereafter of any title or right sought to be obtained by pressure or treaty violation, and which, as has been shown by history in the past, will eventually lead to the restoration to China of rights and titles of which she may have been deprived.

In the past our government, as one of the leading powers on the Pacific Ocean, has rested its policy upon an abiding faith in the future of the people of China and upon the ultimate success in dealing with them of the principles of fair play, patience and mutual good-will. We appreciate the immensity of the task which lies before her statesmen in the development of her country and its government.

The delays in her progress, the instability of her attempts to secure a responsible government were foreseen by Messrs. Hay and Hughes and their contemporaries and were the very obstacles which the policy of the open door was designed to meet.

We concur with those statesmen, representing all the nations in the Washington conference who decided that China was entitled to the time necessary to accomplish her development. We are prepared to make that our policy for the future.

Very sincerely yours,
HENRY L. STIMSON.

IV—Chinese Split on War Policy

By HAROLD S. QUIGLEY

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ALTHOUGH there was evidence of collaboration of a limited sort in military affairs between the various Chinese factions in Central China, the outstanding fact during February and early March was the continued absence of harmony between the Cantonese leaders—Sun Fo, C. C. Wu and Eugene Chen—and Chiang Kai-shek, dominant figure in

the national government, although Wang Chiang-wei, also a member of the Cantonese clique, continued as chairman of the executive *yuan*, in which post he was virtually Premier, and Quo Tai-chi, another Cantonese, worked as Vice Minister of Foreign Affairs with Lo Wen-kan, a Conservative.

The apparent difficulty, apart from

personal factors, was the difference of view on the question of resistance to the Japanese military movements at Shanghai. Chiang Kai-shek, while resenting those movements, appeared to oppose active resistance to them, but Sun Fo and Eugene Chen, as well as the commanders of the Cantonese forces garrisoning a portion of the Shanghai territory, favored the most vigorous military opposition of which the country was capable.

From the new seat of government at Loyang, Premier Wang Ching-wei issued a statement that if China were now willing, as President Yuan Shih-kai had been in 1915, to sign an infamous treaty bargaining away the country's sovereign rights, the solution of the present problems would not be long delayed. Japan, he said, had attacked China to obtain such a treaty, but China was determined "not to sign a treaty prejudicial to her territorial and administrative sovereignty."

On Feb. 9, dispatches from Nanking, where a skeleton administrative establishment was maintained, stated that the country had been divided into four military zones, with Chiang Kai-shek coordinating all commands. At Tientsin, however, the Japanese had cowed the Chinese municipality, and the same was true at Peiping. From Shanghai southward was the region of real opposition to Japan, as was evidenced by actions at Foochow, Swatow, Amoy and Canton.

Chambers of commerce of various Chinese cities donated large amounts to the support of the Nineteenth

Army, which was defending Shanghai. Leaders at Canton said they would set up a separate national government if an unacceptable peace were made with Japan. Although on Feb. 13 it was reported that Chinese bankers of Shanghai were willing to pay the Nineteenth Army to retire from the city and also that a Japanese emissary had offered the Cantonese commander, General Tsai Ting-kai, money and the Governorship of Kiangsu province to withdraw, on Feb. 19 reports stated that defeatism among the Chinese bankers had disappeared. At Canton arrangements were under way to import new airplanes for local defense in order that the existing air force might be sent to Central China.

At Hankow on Feb. 24 the tension between Japanese and Chinese was growing worse. All able-bodied Japanese had been armed. Tension was also reported at Ichang, further up the Yangtse. Speculation was heard as to the effect upon the Sino-Japanese situation in that region if Hankow should be taken by Communist armies, which, on Feb. 16, captured Nanchang, capital of Kiangsi. Kanchow, in southeast Honan, was under attack by Communist forces at the end of February. The Loyang Government appointed General Chen Chai-tang, military commissioner at Canton, to command an anti-Communist campaign in Kwangtung and Kwangsi.

A Shanghai report stated on Feb. 29 that the Foreign Affairs Commission of the Loyang Government had approved resumption of full diplomatic relations with Soviet Russia.

V—Manchuria in the Grip of Japan

THE partition of China is not originally a Japanese conception. For that the European powers were responsible, whether control took the form of outright cessions, following conquests, or of protectorates over outlying territories

such as Tibet and Outer Mongolia, or of leased areas, spheres of interest and residential concessions. Lord Charles Beresford's book, *The Break-Up of China*, published in 1899, revealed how far the process of partition had already gone at that time. There

followed the displacement by Japan of Russia from her treaty position in South Manchuria, the creation of the South Manchuria Railway Company as a Japanese governmental agency and the inauguration of the program of absorption of Manchuria into the Japanese Empire. The recent founding of an independent State of Manchuria can with difficulty be viewed in any other light than as a major stage in that program.

The Japanese military authorities explain Chang-Hsiao-liang's expulsion and the creation of a separate State—just how separate from China remains ambiguous—as the action of unhappy subjects eager to found a government “on the basis of the people's will.” But would the 29,000,000 Chinese of Manchuria, for example, choose Henry Pu-yi, the inexperienced scion of a discarded dynasty, to rule them? The negligible proportion of Manchuria's population which is of Manchu race justifies describing his fief as indeed a country without a people. Again, would a free choice—assuming the people were politically mature enough to make a choice—find them electing as Governor some of the very men who served under Chang Hsiao-liang, men whose questionable cooperation is under suspicion of having been obtained through purchase or intimidation?

With the fall of the Minseito Ministry in Japan, in which General Jiro Minami, as Minister of War, initiated, without Cabinet approval, the occupation of the southern half of Manchuria, General Sadao Araki was appointed to the War Office. General Minami went to Manchuria, apparently to complete the task begun with force by assisting in the organization of the occupied area and in reorganizing the Japanese administration there in order to accommodate it to the new situation.

According to the American weekly published in Shanghai, *The China Weekly Review* of Feb. 6, in the latter

part of January the hotels in both Mukden and Dairen were “filled to overflowing with Japanese gentlemen who are trying to reconstruct something of material benefit to Japan from the wreckage which has been created on Chinese soil by the Imperial Japanese Army. These gentlemen, whom we may designate as ‘State builders,’ include university professors, economists, financiers, industrialists, militarists, politicians, and what-not.” The *Review* quotes one of the Japanese thus engaged, Professor M. Royama of the Tokyo Imperial University, to this effect: “Manchuria is a colony of China, and so it is to Japan. Apart from the propriety of setting up an independent State therein, such enterprise might be feasible in case of some power lending a hand in protecting and guiding it. The question of who is the sovereign head is only a matter of detail.”

A “Northeastern Administrative Committee,” composed of the Chinese Governors of Liaoyang (or Feng-tien), Kirin and Heilungkiang, the three provinces of Manchuria, the Mayor of Harbin and two Princes of Mongolia, together with the Governor of Jehol, was reported to have issued a formal declaration of the independence of Manchuria and Inner Mongolia on Feb. 18. The statement included a promise to maintain the Open-Door policy and equality of opportunity.

This declaration indicated that at least the military department of the Japanese Government was prepared to disown Japan's frequently avowed recognition of Manchuria as a part of China. It will be recalled that Count Uchida, now president of the South Manchuria Railway, visited the United States in 1928 for the express purpose of reassuring the American Government upon this point. Still more recently, on Nov. 9, 1931, Ambassador Debuchi handed to Secretary Stimson a memorandum which declared that “the Japanese Govern-

ment remain unchanged in their stand against the partition of China."

In contrast with this attitude, so distinctly in accord with that of the United States, was the reply of War Minister Araki to a correspondent's question concerning what link would exist between Manchuria and the rest of China. He said: "In my opinion it will be for the benefit of the people of Manchuria and will promote the general peace if Manchuria is separated from China." However, when asked if Japan would recognize the new State, a spokesman of the Foreign Office, with well-directed irony, replied: "We are in no hurry; we have no canal to build."

The inauguration of Pu-yi took place at Changchun, junction point of the Chinese Eastern and South Manchuria Railways, on March 9. His title is *chih cheng*, or "dictator"; in Japanese, *genshu*. Since 1924, when he was expelled from his palace-prison in Peiping by General Feng Yu-hsiang, the former "Little Emperor" has lived under Japanese protection in Tientsin. He has been a nonentity in Chinese politics since 1917, when, still a child, he was held on the Dragon Throne for a few days by an ambitious militarist, General Chang Hsun. He is now about 30 years old. The inaugural ceremony was simple, taking place before a small audience of Chinese and Japanese.

Dispatches stated that a constitution similar to that of the National Government of China would be placed in effect. The choice of Changchun rather than Mukden for the capital was not explained. The former is in Kirin Province and more centrally located.

Among those who participated in organizing the government was General Ma Chen-shan, the "hero of the Nonni," who was the first of the minor satraps of Manchuria to resist the Japanese forces. Rumor had it that he had been heavily bribed to change sides. He was appointed Governor of Heilungkiang Province. Writ-

ing to Marshal Chang Hsiao-liang at Peiping, General Ma apologized and explained his action as motivated by a desire for the people's welfare. Reports that he had been assassinated were disproved when he appeared at Changchun to witness the inauguration of Pu-yi.

In a lengthy statement the National Government of China recited the three resolutions of the Council of the League of Nations, dated Sept. 30, Oct. 24 and Dec. 10, 1931, respectively, which recorded Japan's statement that it had no territorial designs in Manchuria. The Chinese statement then said:

"The Three Eastern Provinces, also known as Manchuria, are always an integral part of China and any usurpation or interference with the administration therein constitutes a direct impairment of China's territorial and administrative integrity. Article 1 of the organic law of the National Government, of Oct. 4, 1928, which was proclaimed in Manchuria as well as the other provinces of the republic, provides that the National Government will exercise all the governing powers of the Chinese Republic. The provisional constitution of June 1, 1931, expressly provides that the territory of the Chinese Republic consists of the various provinces, Mongolia and Tibet, and that the Chinese Republic will be a unified republic forever.

"The territorial, political and administrative integrity of the Chinese Republic, besides being an attribute of a sovereign State according to international law, is guaranteed by Article X of the League covenant and Article 1 of the Nine-Power treaty. * * *

"Now, in defiance of all law and solemn obligations, the Japanese authorities who are in unlawful occupation of the Three Eastern Provinces, are endeavoring to set up in these provinces a so-called independent government, and are trying to compel the Chinese citizens to participate in the puppet organization. The National

Government has repeatedly and emphatically protested against the illegal actions of the Japanese Government, and hereby again declares that it will not recognize the secession or independence of the three Eastern Provinces or any part thereof, or any administration which may be organized therein without its authority and consent."

The Nanking Government censured Marshal Chang Hsiao-liang for remaining inert at Peiping while the land of his ancestors was in danger. He replied with an avowal of intention to do his utmost to expiate his crime by recovering the territory. The reality of his policy seemed, however, to be submission to any degree of Japanese insolence, since he closed the English-language newspaper, *The Leader*, and made a personal call at the Japanese Legation to apologize, when complaint was made that the paper had printed "an extremely disrespectful article."

Chinese volunteers numbering 200,000 were reported to be organizing belatedly in Manchuria to recover control of the region. Fighting occurred at Tunhua, rail junction in Kirin Province, during the latter days of February.

The attitude of the United States toward the new State appears to have been predetermined by Secretary Stimson's note of Jan. 7, in which the government declared "that it does not intend to recognize any situation, treaty or agreement which may be brought about by means contrary to the covenants and obligations of the pact of Paris." In London official sentiment was inclined to view the suggestion of Secretary Stimson, in his letter to Senator Borah, for an international pronouncement which would "effectually bar the legality hereafter of any title or right sought to be obtained by pressure or treaty violation," as quixotic. It was indicated that the British Government would allow its view of British interests to determine the question of

recognition. Although British officials were said to be impressed with the Japanese argument that their action had American encouragement of the revolt of Panama from Colombia in 1903 as a precedent, it seemed probable that British interference with a closer union between China and Tibet also was in their minds.

The Soviet Union declined to recognize the new State but accepted the dismissal of Mo Teh-hui, Chinese president of the Chinese Eastern Railway. He was replaced by Li Shao-keng, a member of the railway's directorate. Mo refused to accept orders from the new Manchurian Government. Soviet acquiescence in Japanese policy was indicated when General Tamon was permitted to cross the Chinese Eastern Railway to attack and occupy Tsitsihar last November. Commenting upon this success, Mr. Y. Tsurumi, a Japanese propagandist, pointed out, according to the *Japan Weekly Chronicle* of Jan. 21, that it had driven a wedge into North Manchuria and established Japan's interests there. The inclusion of Jehol in the Japanese protectorate also would affect Russia, since it would bring Japanese influence effectively closer to Mongolia and Peiping.

A thousand Japanese soldiers were sent to Harbin on Jan. 29 without notice to the Soviet Government after riots in which Russians and Chinese engaged in bloody street fighting. This action involved forcible use of the branch of the Chinese Eastern running from Changchun to Harbin. Subsequently Russian approval was obtained, but because of Chinese military resistance to the expedition it became necessary to reinforce the first contingent and Harbin was not occupied until Feb. 5. News of the taking of the city was received in Moscow without comment except for expressions of apprehension lest the success of the Japanese should excite the 100,000 White Russians in Manchuria to attempt a *coup d'état* in Eastern Siberia.

Voroshilov, Soviet Minister of War, declared on Feb. 23 that bands of Russian White guards were being organized to seize Soviet interests in the Far East. Denial was made, however, of a Mukden press report asserting that the Soviet had increased its force in Eastern Siberia. Japanese forces were permitted, however, on March 3 to use the Chinese Eastern line in sending troops to Imienpo, 100 miles east of Harbin. In that connection the Soviet Government reminded Japan that the Portsmouth treaty forbade both Russia and Japan to operate railways in Manchuria except for commercial and industrial purposes.

Nevertheless, Soviet relations with Japan began to show signs of the strain of Japanese aggression. Early in March the Soviet Government published in its official organ, *Izvestia*, two documents which it claimed had been prepared by "leading Japanese military commanders" advocating an attack upon the Soviet Union in Siberia. This was followed by an editorial in the same paper which, while reiterating the desire of the Soviet Union to remain neutral in the Far Eastern conflict, openly impugned the friendly intentions of Japan and de-

clared readiness to fight if attacked. The editorial was broadcast throughout Russia by radio and reprinted in all the principal newspapers on March 5, thus making its statements an official declaration of the Soviet Government. On succeeding days *Pravda* and *Izvestia* continued the attack upon Japanese motives with increasing bitterness. The significance of these pronouncements was heightened by their contrast with the attitude of careful neutrality which up to this time had characterized the Russian comment on the Far Eastern crisis. The immediate cause of the Soviet change of front was the penetration of Japanese forces into northern Manchuria near the Siberian border. The Soviet Government, however, seems to have been for some time quietly preparing for this contingency by concentrating a large detachment of the Red Army on the Manchurian frontier. Soviet interests in Manchuria, especially with regard to the Far Eastern Railway, collide at many points with Japanese objectives. It should also be pointed out that the strategic value of Vladivostok might tempt Japan to find a pretext to take control of that city. H. S. Q.

VI—Japan Votes for "Strong Policy"

ON Jan. 24, nearly a month before the Japanese election, which took place on Feb. 20, Premier Inukai, Foreign Minister Yoshizawa and Finance Minister Takahashi addressed the two houses of the Japanese Diet. The Premier dealt with the attempted assassination of Emperor Hirohito on Jan. 8, the Manchurian crisis and national finances. He explained that the Cabinet, having resigned to show its sense of responsibility after the attack upon the Emperor became known, had been commanded by him to remain in office.

After declaring that Japan had "no imperialistic designs upon Manchuria"

and that all Japan wanted was "the observance by China of all the existing treaties," Premier Inukai discussed finance, and asserted that by placing an embargo upon the export of gold and suspending the conversion of bank notes into gold, the Cabinet had saved the country's industries from utter collapse. Taxes were not to be increased and living conditions were to be stabilized, to the end that "the dangerous turn which the thought of the people has taken in recent years" may be counteracted.

Foreign Minister Yoshizawa directed his remarks almost entirely to the Manchurian problem. He adopted

the stock arguments now so familiar—Japan's efforts for the development of Manchuria, the menace of Chinese methods of "oppression," the strain on Japanese patience, the final straw—the inevitable collision. He said that "Japan harbors no territorial designs in Manchuria" and that "she will uphold the principles of the open door and equal opportunity as well as all existing treaties relating to that territory." Turning to conditions in other parts of China he recalled, without reference to Japanese acts and policies, the development of anti-Japanese feeling, which, he declared, was fostered by unofficial organizations "under the direct or indirect direction and encouragement of the government * * * quite against the free will of the Chinese merchants and the people in general." Ignoring also the massacre of more than a hundred Chinese in the principal cities of Korea in the Summer of 1931, the Foreign Minister averred that "compared with the complete protection which persons of Chinese nationality are afforded within our borders, the indescribable persecution to which our fellow-countrymen are being subjected in China presents, indeed, a glaring contrast." He expressed the opinion that normal relations with China would not be attained for some time, and took the opportunity "to express the satisfaction of the Japanese Government" toward Soviet Russia, which has "steadily maintained an attitude of impartiality and non-interference throughout the present affair."

The Finance Minister explained that the government proposed to take over the draft budget of its predecessors except for the item of tax increase. He anticipated a large drop in revenue, which was to be met by borrowing. Bond issues amounting to 191,000,000 yen (at par about \$95,000,000) were in prospect. The policies of the previous Cabinet were attacked as having perilously undermined the gold standard. In the House of Peers former Finance Minister Inouye replied

to Mr. Takahashi, pointing out that the buying of gold dollars had begun to decline nearly two months before the embargo was re-established, and implying that the embargo had been imposed for political reasons, to benefit a few financial interests.

Mr. Takahashi had no sooner finished his address in the House of Representatives than an imperial messenger arrived with orders to dissolve the house. With shouts of *banzai* ("hurrah"), members hurried to telegraph offices to send hundreds of messages to their constituents for the opening of the electoral campaign. The voting took place on Feb. 20. The Minseito, which enjoyed a majority after the 1930 election and which had won a majority of the intervening elections for prefectural assemblies, was handicapped by the defection of Kenzo Adachi, recently Home Minister, who had conducted its campaigns in the past with masterly skill. Adachi resigned from the Minseito, it will be remembered, after he had caused the Cabinet itself to resign on Dec. 11.

The campaign was described as the dulllest since manhood suffrage went into effect in 1928 with thirty-nine candidates having no opposition. The Seiyukai put forward 326 candidates, the Minseito 268, the Labor parties 34, and various candidates represented small groups, or stood independently. Meetings were poorly attended and the authorities felt constrained to urge people to vote. War fever, popular disillusionment as to the utility of the suffrage and diminished party funds contributed to the absence of enthusiasm. The question of policy toward China was not an issue, both parties taking a patriotic line in support of the armed forces. The Seiyukai promised prosperity; the Minseito denounced the Seiyukai. No vital issues were presented to the voters.

The Seiyukai won 304 seats, the Minseito 147. Previously the Seiyukai had held 174 places, the Minseito 273. The Adachi group obtained five seats, Labor five, Kakushinto two, and in-

dependents three. No members were returned by the Kokumin Doshikai, or Business Men's party. The vote was interpreted as an emphatic verdict for a "strong policy" toward China.

An extraordinary session of the Diet was called to open on March 15 in consequence of the refusal of the Privy Council to sanction further required expenditures for the Shanghai expedition by imperial ordinance. The Executive had appropriated, without approval of the Diet, but under constitutional provisions, 76,000,000 yen (at par \$38,000,000) for the expeditions in China before its last request for an additional 22,000,000 yen (\$11,000,000). The estimated cost of maintaining these two expeditions indefinitely was 10,000,000 yen (\$5,000,000) a month. Japan's gold reserves meanwhile continued to decrease.

Opposition to the military program on the part of Japanese financiers was believed to be responsible for the acts of youthful "patriots," who assassinated former Finance Minister Junnosuke Inouye on Feb. 9, and Baron Takuma Dan, general director of the Mitsui Gomei Kaisha, Japan's largest corporation, on March 5. As Minister of Finance, Mr. Inouye had made strenuous efforts to balance the budget by introducing economies, among them a decrease in the military and naval estimates. He had earned the ill-will of former Home Minister Kenzo Adachi—who boasts of his connection with the murder of the Queen of Korea—by his rise toward the leadership of the Minseito, whose next Premier he seemed destined to be. He was killed by pistol shots fired by one Sei Konuma, a young loafer and member of Seisanto,

a so-called patriotic society, whose membership includes a large proportion of *soshi*, or thugs, who are ready at any time to waylay important personalities, even to put them out of the way, if convinced that the men higher up, who are above such tactics, desire a freer hand.

Baron Dan was shot by a youth named Goro Hishinuma, a peasant lad like Konuma, now said by the Tokyo police to belong to the same blood brotherhood as the latter. The Baron was a friend of Adachi, and director of the house of Mitsui, which, when the Minseito Cabinet was overthrown profited enormously by purchasing yen at a heavy discount with the gold dollars it had acquired for speculative purposes. Baron Dan had, however, as a member of the Japan Economic Association, advised the Minister of War, General Araki, himself a member of Kokusuikai, one of the most powerful of the patriotic societies, against an extensive flotation of bonds. Other business men also had expressed apprehension of the growing antagonism in the United States as evidenced by the flood of petitions in favor of a boycott against Japanese goods. They feared lest the loan market should be closed to Japan.

Baron Shidehara, close friend of Mr. Inouye and Liberal Foreign Minister in the Minseito Cabinet, was reported seriously ill early in February. He fell foul of the militarists when he sought to restrain them from occupying Chinchow last November and he also is remembered for his work in obtaining ratification of the London Naval Treaty of 1930. Rumor had it that he had been poisoned.

H. S. Q.

Japan's Apprenticeship in Democracy

By HUGH BYAS

HAVE the forces at work in Japan during the past six months been truly representative of the wishes of the Japanese people? It is generally believed that the Island Kingdom has a government at least outwardly dependent upon popular vote, but the determined prosecution of anti-Chinese measures, in the face of protests from the rest of the world, has led many to conclude that such is not the case.

Representative government in Japan has now had forty-two years' trial, and during that time it has taken root and made progress. Whether it will flourish and increase in power remains to be seen; the corruption and feebleness of politicians, on the one hand, and the power and impatience of the army, on the other, may bring it to destruction. The principles of majority government were ignominiously repudiated after the Wakatsuki Cabinet fell on Dec. 11, 1931, apparently so that a change in national financial policy might be brought about. The Manchurian struggle, in which the army acted with a remarkable degree of independence, has been carried on in a manner which shows that the power of the representative element in Japan is at times distinctly limited. The Shanghai fighting, involving the dispatch overseas of large naval and military forces, was begun without reference to the Imperial Diet.

The Japanese Diet is bicameral, with the upper chamber a reformed House of Lords. Imperial princes, princes (the rank corresponds to that of an English duke) and marquises

become life members by right of birth when they reach the age of 30. This purely hereditary element numbers 59 in a house of 396 members. About two-fifths of the house is chosen by the other orders of nobility—counts, viscounts and barons—who elect a proportion of their number to sit for seven-year periods. The Imperial Academy of Science appoints four members. One-third of the members are commoners who have been nominated for life in recognition of public and political service. Approximately one-fifth are high taxpayers, chosen septennially by the limited circle to which they belong. There are various groupings in the upper house, but they do not follow the party lines of the lower house, and a list of their names would mean nothing. The largest, for instance, the Kenkyukai, has a name which means the "study" or "investigation" party. The Kaseikai and the Koyukai have names which imply mutual consultation. The Kayokai is simply the Tuesday Club, and so on.

The Constitution makes the upper house equal in power and prestige with the elected house. The peers can occasionally destroy a government but they cannot make one, and their function has become more and more that of a body that revises and delays—a forum where the most conservative and experienced opinion of the nation is heard. Direct contact with the nationwide electorate has given the House of Representatives a vitality which the brilliant security of the upper house cannot confer.

The House of Representatives con-

sists of 466 members elected by constituencies averaging some 27,000 voters in each. All males over 25 (except bankrupts and criminals) have the vote, and elect the whole house at least once every four years. There are two major parties and several minor groups. At the dissolution on Jan. 21, the house was divided as follows:

Minseito	247
Seiyukai	171
Minor blocs	29
Independents	3
Vacancies	16
	<hr/> 466

"Minseito" is a combination of three ideographs meaning "people (or nation)," "politics" and "party"—the "popular government party." "Seiyukai" is a similar combination of ideographs and its meaning may be rendered as "political, or constitutional, friends party."

The Constitution ordains that the Diet shall sit for three months each year, but by assembling at the end of December and immediately adjourning over the New Year holidays the members usually do not do more than two months' work. They are paid \$1,500 for the session.

The House of Representatives meets in a bare and undignified hall where semi-circular rows of members face a platform on which the Cabinet Ministers sit. Three sides of the hall are surrounded by large galleries. The chamber has accommodation for about 100 reporters; a dozen cameras rest on the ledge of the gallery in perpetual readiness. The newspapers devote at least a page a day to the proceedings and enliven the daily lesson in democracy by adding cartoons and pictures. There is no party press in Japan, and this allocation of space is a genuine measure of its news value. The Diet begins business without formality when the Speaker, or President of the House, appears, followed by the Cabinet Ministers, who take their seats on the platform in order of seniority. The Ministers, with port-

folios before them and secretaries behind them, look like directors confronting dissatisfied shareholders or candidates facing a meeting, half of which is hostile. The public galleries are always full.

The session begins with set speeches on policy from the platform by Cabinet Ministers. These statements are followed by a general criticism cast in the form of interpellations. An interpellation is simply a speech arraigning the government, each paragraph of which culminates with a demand for an explanation. The member speaks for twenty or thirty minutes, makes his point and leaves the tribune to the Minister whose department is concerned. The Minister gives his answer, which is usually brief, and the questioner returns refreshed to the fray. One Seiyukai member in a three-hour interpellation caused eleven Ministers in turn to answer him. The method leads to repetition, but allows weaknesses to be thoroughly explored. It is a duel between floor and platform, rather than a debate carried forward by successive speakers. Interpellations continue until the budget and the various bills are returned from the committees to which they have been referred. The bills are then open to debate, and private members of the government party can speak in support of their party and policy. But the debate is often brief, interpellations having exhausted the interest of the house.

The speaking is usually good. Although the highest levels of oratory are seldom reached or sought, members as a rule speak with fluency, make themselves clearly heard, allow no interruption to go unpunished and are able to keep the thread of their discourse intact through stormy interludes. It should be remembered, however, that the examination of bills and even of the budget is a subordinate part of the Japanese politician's duties. The real purpose of the Opposition is to discover the weaknesses of the government and to exploit

them, either by exposing them to the public or by introducing dissension into the government party.

The Japanese House of Representatives can hardly be called a legislative body. It devotes much talk to discussions of policy and relatively little to practical debate of such details as the price of rice, taxation and tariffs, official efficiency, official corruption, profits of public utility companies, the condition of industry, farmers' debts and the valuation of land. Matters of administration which have caused public concern can, however, be thoroughly examined. This examination sometimes turns the House into more of a Donnybrook Fair than a forum when excited members rise from their seats and shout at the Cabinet Ministers on the platform. Though the Japanese in their ordinary affairs are a people of polished courtesy, their parliamentary manners are beyond question bad.

But this innovation of democracy by which the elected representatives of the masses can debate every aspect of the country's affairs is unknown to the Confucian or any other Oriental code; the Anglo-Saxon "courtesy of debate," developed through long experience by commercial peoples whom centuries of trading had taught the value of cool heads in an argument, has not had time to be assimilated, and political controversy quickly rouses the excitable nature of the Japanese. The very procedure encourages interruption, for by the method of interpellation the government is continually under fire. The oratory is largely furnished by the Opposition, while the government side relieves its feelings by interjections.

When members show imperfect control of their tempers it is natural that their supporters and sympathizers, the hangers-on of the political parties, should imitate their example; brawls are common in the lobbies between politicians who call themselves by the fine old name of *ronin*, or freelance, but who might be much more

truly described as political toughs. It is a disgrace to the parties that they should, each and all, have their following of gangsters. Yet, though scenes in the House are dramatic material for the reporters, it would be a false picture which left out the hours and days of reasoned criticism of national policies, and a false history which did not recognize that the "good old days" were, if anything, worse than the present. The elected House is not yet an assembly where debate proceeds in an atmosphere of calm, but as a debating and criticizing machine it has made undeniable progress.

Mr. Inukai, the present Prime Minister, recently described the Japanese political parties as "a means of gaining power." Genuine differences of political principle can hardly be said to exist. The parties are still for the most part merely clans which attach themselves to this leader or that party for the reward that a party in power can bestow on its followers. Cabinet Ministers need not be members of the party which forms the government. Certain broad comparisons may nevertheless be drawn between the present Opposition party, the Minseito, and the Seiyukai, now in power. The former stands for the gold standard, deflation and economy; the latter favors the stimulation of industry by subsidies and government aid. The Minseito passed the laws which established manhood suffrage and attempted to give municipal votes to women and to enlarge the male electorate; the Seiyukai opposed those measures. The former is stronger in the towns, the latter in the country. But those differences are due to the personal beliefs of leaders more than to the spirit of the party.

The influence of the city electorates—great newspaper readers and more alert than the peasant farmers—gives the platforms of the Minseito a progressive tinge and disposes the party to be more liberal in legislation and administration than the Seiyukai,

which draws its support from the conservative half of the electorate. Both parties had the same kind of origin. They did not spring from differences of principle on political issues, but were made up of stalwarts who assembled around the standards of rival leaders in the hope that the spoils of victory would reward the toils of battle. They still bear their birthmarks, and there is little to choose between them except when one or the other happens to enjoy a spell of enlightened leadership. But the situation is evolving. The old neutral or independent groups, those waiters on providence whose neutrality lasted only until they had obtained its price, have disappeared with the coming of general suffrage, and there are now really but two parties in the field. Social trends seem to be making of the Minseito a liberal party, supported mainly by the towns and embodying the progressive instincts of the Japanese people, and of the Seiyukai, strong in the country and supported by the landowners and some great industrialists, a conservative party.

Labor is the newest party and it differs from the many other small groups in having a distinctive political creed. But it is as yet nothing more than an embryo. In the first House of Representatives chosen under manhood suffrage, Labor elected nine members; one was murdered by one of those fanatical gangsters of politics already mentioned, and three failed to secure re-election. The Labor party in the last session comprised five members who belonged to three groups. The strongest of the groups, with three members, was the Social Democratic party, which models itself on the British Labor party. The Farmer Labor party and the Masses party were represented by one member each. None of the Labor members is drawn from the ranks of the workers; all come from middle-class homes. So small a handful can only use the Diet as a platform from which to appeal to the imagination of the coun-

try; thus far, however, the Labor members have failed to make any conspicuous use of even the admittedly scanty opportunities. A liberal-minded member of the Minseito thinks that by "speaking above the heads of the people, they have failed to reach their hearts." Like the European Socialist parties in their early days, Japanese Labor groups are perpetually splitting and coalescing. In the recent election the Social Democratic party had a working arrangement with the Rontoto, or Masses, party.

The Japanese House of Representatives has grown. It was originally conceived—and conceived of itself—as an assembly with which the government appointed by the Emperor could consult in order that public opinion might understand and support Ministerial policy. But the Ministers now know that without the consent of the floor they cannot be on the platform. Without a majority in the elected house a Japanese Government cannot long exist. That situation was at first met by bureaucratic statesmen who arranged to win the support of a majority bloc or party in return for favors bestowed. Now, however, the House is divided into two definite political parties, with their organizations in every constituency, and the government of the day is drawn from the majority party. No one who knows Japanese politics would take the risk of predicting that there will be no more "super-party" Cabinets, but the chances are decidedly against their reappearance.

The experiment of representative government in Japan has now had a long trial, and the measure of its success can be best seen by a brief review. The first houses were chosen by an electorate numbering about 500,000. The legislators had little in common except the idea that they were against the government, assailed successive administrations with wild and puerile criticism, and were so new to politics that it was difficult to choose from their number a committee that

could discuss the budget intelligently. They coalesced into groups which continually dissolved and recombined. An early effort to form the liberal elements into a combination strong enough to support a party Cabinet had six months of success, followed by sixteen years of impotence, during which bureaucrat succeeded bureaucrat. That phase ended in 1914 and was succeeded by a phase in which bureaucrats alternated with party leaders, but were increasingly forced to depend on parties and admit party leaders to office. That period ended in 1924.

Today the electorate numbers 13,000,000. By means of a scientific system which approximates proportional representation, it elects a legislature from candidates belonging to two distinct parties. The leader of the majority party becomes head of the government and carries out policies which have the approval of the party.

The system has numerous faults. Bribery is rampant in elections; party funds are corruptly obtained and corruptly spent; "big business" can influence government, and is in turn made to pay tribute to the politicians. The elected House does not attract the best men to its membership, and it has all the faults which are cited in indictments of democracy as if they were special vices of democracy and not the vices of human nature. The system has weaknesses peculiar to Japan in that powerful established groups, such as the Privy Council, the House of Peers, at times the army and navy, can cause the downfall of Cabinets, even though the latter may have a majority in the elected House.

With all its faults, the Japanese system possesses the two main advantages of democracy. First, a bad or tired or unpopular administration can be dismissed by popular vote in an orderly way at the end of a period which cannot exceed four years. Sec-

ond, the government is organically in contact with the masses and is consequently saved from the risk that it may become a thing of bureaucratic routine and theory, weighing soullessly upon the people and bound to alienate their loyalty.

Ten years ago one met Japanese voters who supported the government at elections simply because it was the Emperor's government. In 1916 the late General Terauchi, having become Prime Minister (with the support of the Seiyukai) bluntly told the members of the Diet in his first speech that he was not responsible to them. No Prime Minister today would say that; he would leave the expression of such obsolete orthodoxies to Privy Councillors, who are not elected and cannot be defeated. A generation has grown up accustomed to see every action of governments exposed to criticism, discussed in the press and indicted in the Diet.

The present party system has defects peculiar to itself, to be sure—defects which are due to the circumstances from which it sprung. These defects may be greater than others that are found elsewhere, but they are of less consequence than the fact that an Asiatic nation has shown itself able to devise and operate a system of national government on a basis of manhood suffrage. The change has been gradual and orderly, and so its importance is not always realized. But there it is—bureaucratic government has become party government, the consultative assembly has become a two-party Legislature, the 500,000 voters have become 13,000,000. The power of making changes implied in this development is a tribute to the inherent soundness of the democratic principle; it is also a powerful guarantee that Japan will be able to face the changes of the future with the practicality and adaptiveness which have carried her thus far forward.

On the Frontiers of Science

By WATSON DAVIS

Managing Editor, Science Service

IN the onward rush of scientific research there are discoveries that promise to explain the past or influence the future, revolutionize an industry or change the stream of thought, cure an ill or explain a mystery of nature. Few are immediately translatable into "practical" effects; often many hands and minds for many years must shape the clay in which the material changes of civilization are fashioned. Time, therefore, gives perspective to science as to all things. What assortment of current science progress, not immediate in effect, will prove to have been worth recording as the months pass?

Out of the Canadian Northwest territories, far beyond rail, where air and water provide expensive or difficult means of transportation, comes the cry of "Radium!" somewhat as "Gold!" had echoed from California and Alaska in earlier years. The discoveries of pitchblende deposits at Great Bear Lake made last year by La Bine, a Canadian, are rich in radium content, some samples being worth from less than \$4,000 to more than \$10,000 a ton. These are gross values from which high costs of transportation, refining and selling would need to be deducted. These discoveries will probably affect the world supply of radium, although conservatism is naturally justified as to the immediate effects.

T. Cunliffe Barnes, working in the laboratories of Yale University, offers the suggestion that ice water in large quantities, following the melting of the great continental glaciers, may have been an indirect cause of acceler-

ating the evolutionary changes that seem to have followed each of the earth's great ice ages. To this suggestion might be added a speculation that a like effect may be operative more or less constantly in frosty northern lands, where evolution seems to be more rapid than in the languid tropics. Each Winter a miniature ice age may give a slight impetus to evolution, just as a glacial epoch may have given a big one. The research on which these suggestions are based was conducted with *Spirogyra*, a microscopic green plant common in sluggish fresh waters. Growths of equal size were started in each of three kinds of water. One was water in which most of its molecules are free and unattached, a state most completely attained in steam. The second kind was "common" water, in which most of the groups are bound together in paired molecules. The third was "trihydrol" water, with the groups predominantly three in a bunch. Ice is richest in trihydrol, but water from recently melted ice also contains large numbers of trihydrol molecules. Mr. Barnes found that by far the most vigorous growth of his *Spirogyra* cultures took place in the trihydrol water.

Dr. Otto Rygh and Dr. Per Laland, two Norwegian scientists, have shown that vitamin C is derived from a poison found in opium. The parent substance of the life-essential, scurvy-preventing vitamin C is none other than the poison narcotine, one of the alkaloid poisons found in opium and related to morphine, though, in spite of its name, it does not have any nar-

cotic effect. It is transformed into vitamin C during the ripening of fruits and vegetables. The isolation of vitamin C and discovery of its parent substance came as a result of studies of the occurrence of the vitamin in various fruits and vegetables, such as oranges, lemons, tomatoes, white cabbages and potatoes. Guinea pigs were fed on a diet containing narcotine and on a diet containing narcotine that had been exposed to ultra-violet light; both groups of guinea pigs died at the same time, but the group that had been fed on the solarized product showed no signs of scurvy, while the other group was severely affected with it. It was found that methylnarcotine, derived from narcotine, could prevent or relieve scurvy. It was also found that narcotine was converted into an anti-scorbutic by submitting it to the action of germinating seeds.

New photographic plates that see heat and promise to be of service to science as a new tool have been devised at Rochester, N. Y. They take pictures in the dark and through them a new era of photography and spectroscopy may be opened. Dr. C. E. Kenneth Mees has reported the results of using a new dye discovered in his laboratories for sensitizing plates to infra-red radiation, the invisible light that is longer than can be seen by the eye. A photograph of a flat iron was taken in the dark with its own heat rays. Dr. W. F. Meggers, Dr. C. C. Kiess and Dr. C. J. Humphreys of the United States Bureau of Standards, using the new plates, discovered many new spectroscopic lines of thirty-six chemical elements. These new "flags" of the elements were found in the region of the spectrum lying between wave lengths of 9,000 and 11,200 Angstrom units. The plates sensitized with the new dye record a wide band of invisible heat "light" from 8,000 to beyond 11,000 Angstroms, with a maximum at 9,600 Angstroms. Not only do the new infra-red sensitive

plates "see" further into the infra-red than ever before, but they have a speed 100 to 1,000 times that of the best plates that have ever been made before for the infra-red region. The new plates have allowed astronomers to discover iron lines in the stars that are known as B and F stars.

The name of the new dye used to sensitize the plates is zenocyanine. It is much more sensitive and reveals more of the spectrum than dicyanine, which held first place among infra-red sensitizers for a decade, or neocyanine, which was discovered in 1926. The dye must be synthesized just before use and the plates must be kept in cold storage or packed in ice, as the heat from the sides of an ordinary container at room temperature is enough to make the plates foggy.

Débris found on an island off the coast of Alaska provides evidence of America's first "big town." Kodiak Island, off the coast of Alaska, just opposite the base of the Aleutian Peninsula, was the site of America's first metropolis, far back in prehistoric days when the forebears of the modern Indians were migrating across the narrow seas from Asia and pushing southward along the coast of North America. Dr. Ales Hrdlicka, curator of anthropology at the United States National Museum, has made excavations on the island that laid bare very extensive remains of human habitation, and yielded considerable numbers of skeletons of these early settlers together with specimens of their handiwork in stone, bone and ivory. The largest village mound found on the shore of the island had an area of forty acres—much larger than the base of the great Indian mound at Cahokia, Ill., hitherto regarded as the biggest Indian earthwork. Among the burials dug out by Dr. Hrdlicka and his assistants was one that indicated, by the broken and scattered condition of its bones, that cannibalism was practiced by these early inhabitants of the Far North.

Current History in Cartoons



MUNITION MAKER'S PRAYER
 "Give us this day a little war"
 —*De Notenkraker, Amsterdam*

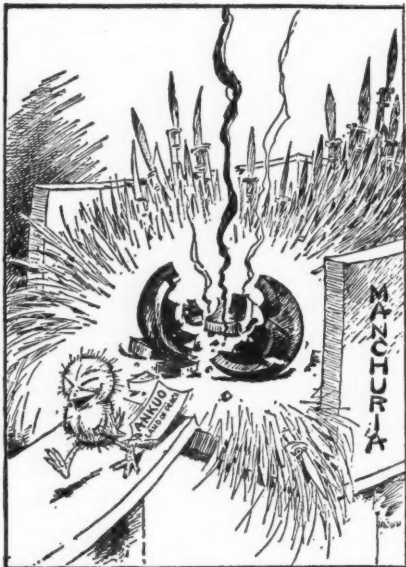


IT IS FRANCE WHO "DISHONORS"
VERSAILLES
 —*Kladderadatsch, Berlin*



"CAPACITY TO PAY"

—*New York American*



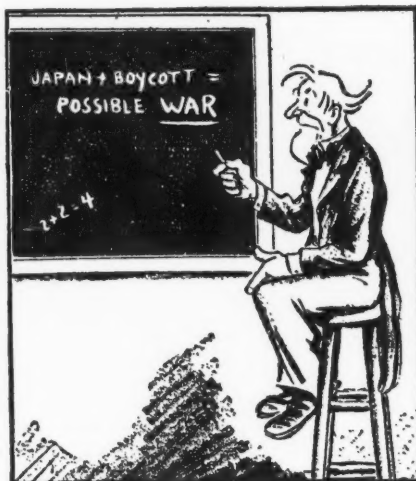
A "LAND OF PEACE" IS HATCHED
—New York Herald Tribune



RUSSIA'S WATCHFUL WAITING
—Brooklyn Eagle



SALES RESISTANCE IN SHANGHAI
—Detroit News



A LESSON IN PACIFISM
—Boston Transcript



MUSIC HATH CHARMS—

Northern Democrat: "A nice wet theme song will get 'em"

Southern Democrat: "No, no! Croon a song of economics"

—Newark Evening News



THE CAKE LINE

—St. Louis Post-Dispatch



SAVING IT FOR A RAINY DAY

—Cleveland Press



A ROPE HARD TO CUT

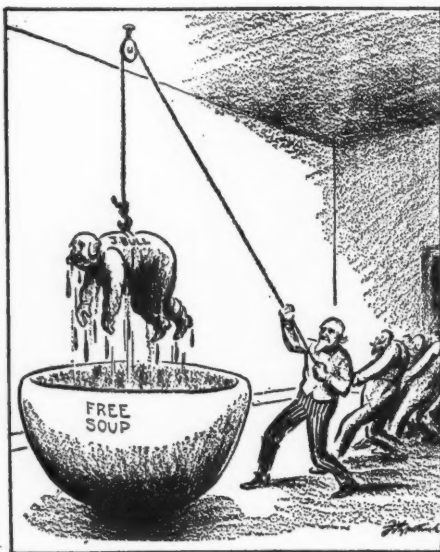
—Portland (Ore.) Journal



CAPITALISM'S ILLNESS

Father Time: "I find you have senile decay"

—Der Wahre Jakob, Berlin



INITIATING JOHN BULL INTO THE TARIFF CLUB

—St. Louis Post-Dispatch



DON QUIXOTE VALERA

—London Evening News

A Month's World History

The Politics of Disarmament

By JAMES THAYER GEROULD

Princeton University; Current History Associate

THE cards are now on the table. Representatives of the nations assembled at Geneva have had full opportunity to express the devotion of their peoples to peace and to declare the views of their governments as to the method by which, through disarmament, it may best be secured. That the proposals are diverse is neither surprising nor discouraging. In international negotiations, the initial statement must always represent a political maximum, and not at all the minimum that later the country may be quite ready to accept. Popular opinion at home is always very sensitive regarding concessions that may be considered to lessen national prestige or potential defensive strength. Its spokesmen must be cautious neither to commit themselves so definitely that later they may not in particulars recede, nor to show themselves so conciliatory as to be accused of weakness. In a democratic society, they must create the votes in support of their measures as they go along.

The French, for example, are far too clear-sighted to imagine for a moment that they can emerge from the conference leading an interna-

tional police force of the type that they now demand. If they can strengthen somewhat the sanctions against the aggressor and be assured that they will be applied quickly and fearlessly, they will doubtless be satisfied. The Germans know very well that they cannot tear to pieces those sections of the Treaty of Versailles against which they complain, but they do propose to spare no effort to secure a more equal distribution of power. The leading delegates, in their public utterances, are not necessarily insincere, but their speeches are directed quite as much to the audience at home as to that before the rostrum. The substantial work of every conference such as this is done quietly in hotels and committee rooms, where there can be discussion and bargaining without public commitment. It is only for the registration of decisions already reached, or to obtain some political advantage, that there is oratory.

In March CURRENT HISTORY a summary was given of the introductory speeches of the leading French, British and American delegates and of Bruening's statement of the fundamentals of the German position. It was not until Feb. 18 that the specific

proposals, to which Bruening made reference, were presented by Rudolph Nadolny. In the opinion of the German Government the draft convention, evolved after six years of labor by the preparatory commission, is unsatisfactory both in its details and its omissions. The government advocates, not the internationalization of the air force, as do the French, but its total abolition. It is not content to permit the conference to evade the question of conscription, as did the preparatory commission; it insists that trained reserves should be "included in the general limitation." It believes that all war vessels of over 10,000 tons should be scrapped and with them all aircraft carriers and submarines. It would dismantle "all fortifications which control natural waterways between two open seas," such as those at Gibraltar and Singapore and those that guard the frontier. Chemical and bacteriological warfare should be forbidden and the manufacture and trade in arms should be effectively controlled. The creation of an international police force should not precede but be contingent upon general disarmament. The first problem of the conference, it holds, is the reconciliation of Article VIII of the Covenant with Part V of the Versailles Treaty. At a later session, Herr Nadolny expressed the opinion that the convention resulting from the conference would render inoperative those provisions of the treaty by which Germany was disarmed.

The presentation of the proposals of the smaller nations continued until Feb. 24. For the most part they echoed, in one form or another, the suggestions of the great powers. The most significant of the new ideas advanced was the Argentine plea for a definition of contraband of war and the elimination of foodstuffs from the categories included. This proposal obtained the enthusiastic approval of the American delegation, since it is in line with President Hoover's sugges-

tion, made in November, 1929. Mr. Gibson, in a note appended to his seventh point, supplemented his proposal for the computation of armed forces on the basis of differentiating between those necessary for internal police service and those needed for defense. He suggested that the ratio of the number of effectives, permitted to the Central powers by the peace treaties, to their population and territory, might be taken as a yardstick to measure those that are required generally for the maintenance of order.

To deal with such a variety of suggestions—reckoned by some correspondents at 339—it is evident that there must be classification and systematic presentation. The majority believed that such a classification was ready at hand in the Draft Convention of the Preparatory Commission, and that, after consideration by the subcommittees, the proposals should be discussed as amplifications and emendations to be incorporated within the framework of the treaty. M. Tardieu won his point that all questions involving security should go to a Political Commission, identical in membership with the General Commission, which is composed of the heads of the national delegations, but he failed in his attempt to substitute M. Titulescu of Rumania for Arthur Henderson as chairman. As almost all the proposals are related in one way or another to the question of security, the effect will be to minimize the importance of the subcommittees, since all their decisions must be reviewed by the Political Commission before presentation to the plenary body. All this will take time. Under present conditions M. Tardieu finds it necessary to spend most of his time in Paris and can only be in Geneva for a few hours each week, and in his absence little can be done. The resulting situation is one of irksome delay.

The special meeting of the League Assembly, called to consider the Sino-Japanese troubles, which was in ses-

sion following March 3 (see A. N. Holcombe's article on pages 52-57 of this magazine), necessitated what amounted to a recess in the formal meetings of the conference, since so large a number of its members were, at the same time, the delegates of their countries as members of the Assembly.

FRANCO-GERMAN RELATIONS

A distinct improvement is noticeable in the relations between France and Germany. M. Tardieu, late in February, found time for long conversations with Dr. Leopold von Hoesch and Lord Tyrrell, the German and British Ambassadors in Paris. Presumably as a result of these conversations, it was announced on Feb. 29 that the Bank of France had agreed to the extension from one month to three, or until June 4, of the credit of \$100,000,000, advanced by the Bank for International Settlements to Germany, provided that within that period there shall be a 10 per cent amortization of the loan. This announcement was reflected immediately by a spectacular rise in the prices of securities on the Paris Bourse.

France, as a matter of fact, is struggling to accomplish two things which are economically antagonistic. She wishes to restore the financial structure of Europe and at the same time to maintain the fabric of the Young Plan. Although economically she still enjoys far better conditions than any other country in Europe, unemployment is rapidly increasing and the budgetary deficit is steadily rising. She fears, and with cause, that she cannot escape the consequences of the universal financial demoralization, a major cause of which is the system of war debts and reparations. She realizes that the chances of securing substantial further payments from Germany are very slight. Without attempting to reconcile the widely different estimates of the sums already paid on account of reparations, there

is no doubt that they do not equal the amount spent for reconstruction. If reparations are to be canceled, it must be on such terms that German industry, potentially more powerful than that of France, shall not reap a substantial advantage.

There remains France's war debt, particularly that owing to America. The French public is entirely unimpressed and unconvinced by the argument of the United States Treasury that all our claims against them, for loans made before the armistice, have been canceled. If the debt is to be paid, the French insist that it must be shifted to Germany. Since the maintenance of the status quo is obviously for the benefit of France, she is particularly insistent on the sanctity of treaties. As Walter Lippmann so clearly explained in his dispatch of Feb. 18, in this she is not entirely selfish. She believes that until there has been created, through a partial delegation of sovereignty, some form of superstate, there is no possible way for the rectification of national boundaries except by war, and in the meantime it is only by the enforcement of the treaties that we now have that peace can be maintained. The argument is certainly a powerful one.

The danger of the attempt to secure rectification by unilateral action has been sufficiently illustrated during the years since the war. Italy succeeded, it is true, at Fiume; but she failed at Corfu. Great Britain and Italy were not able to establish their proposed spheres of influence in Abyssinia against the will of that government and that of France. Poland was able by force to take Vilna, and she was confirmed in her possession by the League. It may be that Japan can maintain her position in Manchuria, and Lithuania in Memel. In all these situations there has been the material for a first-class war, and had it not been for the restraining influence of the League and the war-weariness of the world there might

very well have been a major conflagration.

DANUBIAN TARIFF BLOC

What promises to be a very interesting, and perhaps important, development in the affairs of the Danubian States was foreshadowed in the announcement by Premier Tardieu to the French Chamber of Deputies on March 1 that, with the support of Great Britain and of Italy, he had promised the aid of France in the formation of an East European tariff bloc to include Austria, Hungary, Czechoslovakia, Rumania and Yugoslavia. Germany countered this move by a note to Austria offering preferential treatment, if the most-favored-nation clauses in her treaties could be suspended. The French action is clearly another move in the sustained effort to consolidate French power in Southeastern Europe by the application of financial pressure. At present, Austria and Hungary are very nearly at her mercy.

Such a federation as proposed by France would be, in effect, the recon-

struction, for customs purposes, of the Austro-Hungarian Empire. As such it would be very unwelcome to Germany, unless she could be included. It can hardly be pleasing either to Great Britain or to Italy; and it is not at all clear at present what are the limits of their assent. Dino Grandi, the Italian Foreign Minister, in a note sent to Paris on March 7, expressed a qualified approval of the scheme, and suggested that the same results could be obtained by bilateral agreements similar to those that Italy has just concluded with Austria and Hungary. The Prague papers are very doubtful if the federation would serve Czechoslovak interests; and those in Warsaw insist that, if there is to be such a confederation, Poland must be a part of it.

Nevertheless, the Financial Committee of the League, which devoted a large part of its recent meeting at Paris to the discussion of the subject, is reported to be well pleased with the reception that has been given to the plan. It may be that out of these negotiations may come that European union so strongly urged by Briand.

Congress Adopts Hoover Program

By E. FRANCIS BROWN

Associate Editor, Current History

THE Hoover Administration on March 4 reached its third anniversary. In Congress the occasion was marked by an outburst of oratory from members of both parties in which the leadership of the President was extolled and assailed. Few administrations in American history have passed through such trying years as has that of President Hoover. A rereading of the inaugural address which he delivered from the steps of the Capitol three years ago brings vividly to mind the stupendous

changes which have occurred since that day. Some of the phrases in that address obviously describe a time that is past and that is, strange to say, being forgotten. Three years ago the President said: "We have reached a higher degree of comfort and security than ever existed before in the history of the world. * * * Business has by cooperation made great progress in the advancement of service, in stability, in regularity of employment and in the correction of its own abuses." In three years all these social desiderata

have been swept away, in large part by forces over which the administration had no control, although public opinion at the moment seems to hold the Republican party responsible for what has happened. Perhaps the anti-administration view was best expressed by a member of the House who declared, during the speeches which noted the Hoover anniversary: "Three years of Hoover's term have expired, and nearly everything else in the country as well."

Although the administration may have been slow in taking steps to combat the effects of the world-wide economic depression, its relief program has been pushed through the present Congress, and the President has obtained the cooperation of the Democrats on all important points. This is undoubtedly the result of general recognition of the seriousness of the nation's condition; yet it is a novelty to see a Republican President working successfully with a Democratic House. Since, besides the relief proposals, the Seventy-second Congress already has enacted several other long-desired measures, it may well be that history will confer upon this Congress the distinction of being one of the most industrious as well as most constructive.

On the heels of the establishment of the Reconstruction Finance Corporation—the administration's chief proposal for economic relief—came the introduction in Congress of what quickly became known as the Glass-Steagall bill. (See *MARCH CURRENT HISTORY*, pages 833-834). This bill, which aimed to broaden the acceptability of commercial paper for rediscount by the Federal Reserve Banks and to make about \$750,000,000 of the Federal Reserve System's gold supply, now used to support the currency, available for other purposes, was introduced in both houses of Congress on Feb. 11. With precedent and partisanship laid aside, the bill, after little debate, passed Congress on Feb. 26 and was signed by President Hoover the next day.

As the country had been led to believe that the Reconstruction Finance Corporation would provide adequate credit for the relief of banking, industry, agriculture, and so on, the question immediately arose in some minds as to what bank or banks were in so precarious a condition that even the Reconstruction Finance Corporation could not be of help. No official statement in this regard was made, although banking officials were known to have disclosed the real situation to those responsible for forcing the bill through Congress. Senator Glass on Feb. 17 maintained that the bill would protect the nation's gold reserves against prolonged foreign gold raids, but he was silent on the domestic difficulties that forced the adoption of the proposals for amending the Federal Reserve act. The seriousness of the situation was apparent not only in the speed with which the bill was passed but also in the fact that the administration was able to secure Democrats, especially one as outstanding as Senator Glass, to sponsor the bill.

The bill, as enacted, provides that any Federal Reserve member bank which has exhausted its eligible collateral may join with four or more other member banks in obtaining loans from the Federal Reserve System on joint promissory notes. Two member banks may combine to secure loans if their total deposits equal 10 per cent of the aggregate member bank deposits within their particular Federal Reserve district. These provisions are to be permanent. The act permits member banks which are in needy circumstances but are without further eligible paper, if they are not capitalized above \$5,000,000, to borrow from the Federal Reserve System, until March 3, 1933, on promissory notes without participating in a group. Only sixty-two of the 7,400 member banks of the Federal Reserve System are ineligible for this privilege. Government bonds, according

to the act, may, upon authorization of a majority of the Federal Reserve Board, be substituted by Federal Reserve Banks, until March 3, 1933, for the customary eligible paper now used as a base for Federal Reserve notes, thus providing for expansion of the currency and yet releasing the surplus gold over and above the 40 per cent required to support note issues, which has accumulated as a result of the decline in the volume of commercial paper eligible for rediscount.

President Hoover declared upon signing the bill: "This measure I am signing today, together with the additional capital provided for the Federal Land Banks and the creation of the Reconstruction Finance Corporation, will so strengthen our whole credit structure and open our channels of credit as now to permit our banks more adequately to serve the needs of agriculture, industry and commerce."

Although the Glass-Steagall bill when first introduced was hailed as the beginning of currency inflation, this aspect of its provisions was glossed over during the debate in Congress. Senator Glass, who has long been regarded as conservative in matters financial, quieted fears of inflation by sponsoring the bill. From his point of view, the value of the act is chiefly psychological in assuring bankers that great reservoirs of credit are available if they should be needed. The act, in its final form, is so drawn that apparently immoderate inflation need not be expected.

THE CAMPAIGN AGAINST HOARDING

The campaign against hoarding, with accompanying restriction of credit, received new emphasis on March 6, when President Hoover, Secretary Mills, Senator Robinson of Arkansas and General Dawes appealed to the nation to put money back to work. The extensive hoarding of currency had been called to the attention of the country early in February, and

at that time plans were devised for recalling money to circulation. On Feb. 6 the total amount of money in circulation reached the record figure of \$5,748,000,000; a week later this had declined \$14,000,000, and by Feb. 16 the President felt able to announce that hoarding had ceased and that \$34,000,000 had returned to circulation. Nevertheless, the administration pushed its campaign for the sale of "baby bonds"—certificates in denominations of \$50, \$100 and \$500, carrying 2 per cent interest and maturing in one year. It was hoped that the public would purchase these certificates in large enough amounts to draw many millions of dollars from hiding. Yet, as many observers pointed out, the largest amount of hoarding could probably be laid to the bankers who have felt obliged to have large cash reserves on hand to meet possible runs. Even treasury figures bore out this contention, since the greatest increase in circulation is in bills of large denomination. That the administration's campaign of patriotic exhortation and of "baby bond" sales would be effective was doubted by many financial writers and publicists—unless the American public could be convinced that banks were once again safe depositories.

BALANCING THE BUDGET

Having disposed of the major relief measures, Congress turned its attention to the balancing of the budget, a process which involves the annual appropriations bill as well as a new tax bill. The mounting treasury deficit, which, it is estimated, will reach nearly \$3,000,000,000 by the end of the fiscal year, has caused a good deal of concern among investors and, taken with the growing national debt, has depressed the price of government securities—a fact which is not without influence on the whole financial market. Recent figures issued by the United States Chamber of Commerce relating to the increased cost of run-

ning the Federal Government are of interest at the present time, when efforts are being made to reduce these expenses and thus relieve the burden on the treasury. Between 1913 and 1931 the total expenditures of the Federal Government rose from \$747,500,000 to \$4,219,900,000; in 1913 the per capita Federal tax was \$7.17, but in 1928 this figure had increased to \$33.12.

Whether Congress will be very successful in reducing the cost of government may well be doubted. When the annual supply bill was reported to the House by its Appropriations Committee on March 2 nearly \$55,000,000 had been cut from the original budget estimates for the government's independent offices. On six appropriations bills which had come before the House at that time reductions from original estimates totaled more than \$100,000,000. But much can happen to these bills before they become law. The largest reductions so far have been in the appropriations for the Veterans' Administration, the Interstate Commerce Commission and the Farm Board. One of the few agencies to escape a budget cut has been the bureau in charge of enforcing the Eighteenth Amendment.

The proposal of Representative Byrns of Tennessee to merge the Army and Navy Departments into a department of national defense in the interest of both economy and efficiency has met a great deal of opposition from members of the Hoover Administration. Secretary Hurley and Secretary Adams have contended that it would require a man with "super" intelligence to conduct the affairs of the proposed department. Ernest L. Jahncke, Assistant Secretary of the Navy, in a radio address on March 5, declared that the Byrns bill would establish a department that would be unwieldy and more costly than the present arrangement. Nevertheless, the Democrats apparently have decided to persist in their plans for merging the two departments of defense.

President Hoover in a message to Congress on Feb. 17 asked that he be given authority to reduce governmental expenses by coordinating its many activities. This proposal to consolidate government bureaus met a mixed reception. The Democrats, who already had planned the creation of an "economy" group to study bureau consolidation, were hostile to the President's request—ostensibly because it would further increase Executive power. On Feb. 23 the House Democrats approved a resolution for the creation of a committee of seven to investigate the expenditures of government bureaus in the hope of eventually reducing government expenses by more than \$100,000,000. This action seemed to meet with the President's approval, for the next day he issued a statement saying: "I am delighted that the Congress is earnestly taking up the reorganization of the Federal machinery." But as agitation for reforms of this nature began as long ago as the Taft Administration, the public has a right to be skeptical of any immediate results.

All attempts at economy through reducing the salaries of Federal servants have so far failed. Senator Borah's bill to reduce salaries and mileage of members of Congress was reported unfavorably by the Senate Civil Service Committee on Feb. 13. Similarly, an attempt was defeated in the House on March 5 to prevent salary increases, promotions, and so on, in the Postoffice and Treasury Departments.

The President on March 8 issued a statement in which he said: "Further economies must be brought about by authorization of Congress, either by reorganization of the Federal machinery or changes in the legal requirements as to expenditures of the various services." He pointed out that some of the so-called economies were not real, since they merely postponed until the next session of Congress appropriations which would be necessary for the conduct of governmental agencies.

His statement aroused the ire of Democratic Congressmen, who criticized the President and his record of expenditures in outspoken language.

For many weeks the House Ways and Means Committee has been at work upon a tax bill which, it was hoped, would raise sufficient revenue to balance the budget. The bill was finally completed on March 5 and was introduced two days later into the House, where plans had been made for its speedy passage. The major feature of the bill, which is expected to raise \$1,096,000,000, was a 2.25 per cent general manufacturers' sales levy—a radical departure from the original tax program of the treasury. Only simple necessities of life and those designed for education or religion are to be exempt. The bill also provided for a general increase in income taxes, ranging from 2 per cent, with an exemption of \$1,000 for single persons, to a 40 per cent surtax on incomes above \$100,000.

Other main features of the bill are the imposition of a gift tax with a maximum rate of 30 per cent, an amusement tax on all admissions costing over 25 cents, an increase in fees for stock transfers, special excise taxes on telegraph, telephone, cable and radio messages, on lubricating oils, on malt syrups, grape concentrate, and so on, and a tax of 1 cent a gallon on imported gasoline, gas, oil, fuel and crude oil.

Although the new tax bill differs greatly from that recommended by Secretary Mellon last December, it has been accepted by the administration and came before Congress as a non-partisan measure. Secretary Mills in a statement on March 5 said: "The budget of the fiscal year 1933 can now be balanced in the sense that there will be no further increase in the public debt after June 30 next."

THE WORK OF CONGRESS

During the three months of the present session of Congress only a few

of the hundreds of bills introduced have received favorable attention or even have come to a vote. Besides the administration's program for economic rehabilitation, the various measures relating to the budget and several for unemployment or farm relief, Congress has had before it a miscellany of legislative proposals. For example, the Senate has under consideration, after a favorable report from the Naval Affairs Committee, a bill authorizing construction of naval vessels up to the maximum provided by the London Naval Treaty. This bill is similar in many respects to the Vinson bill now before the House. (See February CURRENT HISTORY, page 710.)

One bill before Congress is of particular interest to labor—the Norris-La Guardia bill or bills, which would prevent the use of court injunctions in labor disputes and would outlaw the yellow-dog contract. The Norris bill passed the Senate on March 1 by a vote of 75 to 5, while the La Guardia bill, which practically reproduces that sponsored by Senator Norris, passed the House on March 8 by a vote of 363 to 13. The differences between the two bills were expected to be ironed out either in the Senate or in conference. Before both the Senate and the House are bills providing for Philippine independence—in fifteen or twenty years.

Besides the Glass bill before the Senate to reform the Federal Reserve System (see March CURRENT HISTORY, page 834), another bill before Congress of interest to the banking world is that introduced by Representative Steagall on March 7 providing for the creation of a fund of \$517,000,000 to guarantee deposits in Federal Reserve member banks. The fund would be based on subscriptions from the Federal Treasury and from the Federal Reserve member banks. In response to a message from President Hoover urging an overhauling of the system of administration of justice, Senator Hasting of Delaware on Feb. 29 in-

roduced a bill for the reform of the bankruptcy laws.

The present Congress has instituted various investigations of subjects relating to the welfare of the nation. That which has aroused the most interest relates to the Stock Exchange, and particularly to the practice of short selling. The issue of short selling seems to have arisen from the continued depression of security prices on the Stock Exchange, which has been attributed in part to the bear raids made possible through the practice of selling short. Richard Whitney, president of the New York Stock Exchange, told a House Judiciary subcommittee on Feb. 24: "If there had been no short selling of securities, I am confident that the Stock Exchange would have been forced to close many months ago." Although short selling would seem to be a necessary part of stock speculation, Federal regulation of stock transactions was hinted by President Hoover and demanded in both halls of Congress. Meanwhile, a sweeping investigation was pending in the Senate.

THE "LAME-DUCK" AMENDMENT

For the first time since 1924, a new constitutional amendment is before the States for ratification as a result of approval by both House and Senate of Seantor Norris's resolution to abolish the "lame-duck" session of Congress. The text of the amendment is as follows:

Section 1.—The terms of the President and Vice President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 4th day of January, of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

Section 2.—The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 4th day of January, unless they shall by law appoint a different day.

Section 3.—If the President-elect dies, then the Vice President-elect shall become President. If a President is not chosen before the time fixed for the beginning of his term, or if the President-

elect fails to qualify, then the Vice President-elect shall act as President until a President has qualified; and the Congress may by law provide for the case where neither a President-elect nor a Vice President-elect has qualified, declaring who shall then act as President, or the manner in which a qualified person shall be selected, and such person shall act accordingly until a President or Vice President has qualified.

Section 4.—The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice devolves upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice devolves upon them.

Section 5.—Sections 1 and 2 shall take effect on the 30th day of November of the year following the year in which this article is ratified.

Section 6.—This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the Legislatures of three-quarters of the States within seven years from the date of the submission hereof to the States by the Congress and the act of ratification shall be by Legislatures, the entire membership of at least one branch of which shall have been elected subsequently to such date of submission.

Virginia became the first State to ratify the amendment when its Legislature on March 4 adopted a joint resolution in favor of the proposed changes.

PROHIBITION AGAIN

The question of prohibition received renewed attention in the House of Representatives at the end of February when a petition to force a vote on the proposal to return liquor control to the States received the requisite number of signatures. As a result, when the final vote on the proposal is taken, the members of the House will have to place themselves on record as drys or wets. The House wets have introduced a bill to legalize 2.75 per cent beer on which a tax of 3 cents a pint would be imposed. Such a tax, it is maintained, would raise enough income to make the sales tax proposed in the general tax bill unnecessary. In Rhode Island, where the State en-

forcement act was repealed on Feb. 25, the Governor has signed a bill making 3.75 per cent beer legal. Meanwhile, *The Literary Digest* has been conducting a nation-wide poll on prohibition which by the middle of February seemed to indicate that 84 per cent of those voting favored the repeal of the Eighteenth Amendment.

SOCIAL ASPECTS OF THE DEPRESSION

The economic depression has lasted so long that many people have adapted themselves to new conditions. With decreased commodity prices individuals have been able to maintain themselves without too great change, even where income has been reduced considerably. But that, of course, is impossible for those who have lost all means of support and must rely upon some form of charity for existence. The actual condition of these unfortunates varies from city to city and from State to State. In a report issued by the Welfare Council of New York City at the end of February the lowered standard of living which has resulted from the continued hard times was discussed.

According to the report, families "accustomed to living at the margin dropped below. * * * Families who had never before been dependent were reduced to the level of the usual run of cases under care of the agencies. Foreign-born families who had by years of industry and effort raised themselves to a much better position were obliged to drop back to the level at which they started in America, or even lower." The investigation disclosed that "in general families were nearer actual destitution than usual when they were taken under care: they had more debts and fewer resources; relatives and friends were in much the same circumstances; and frequently they were suffering from a long period of trying to live on an inadequate income."

It is conditions similar to these which have inspired the many at-

tempts in Congress to obtain some form of direct or indirect Federal relief. The Costigan-La Follette bill for direct relief was defeated in the Senate (see March CURRENT HISTORY, page 836), but other means toward the same end are being sought. On Feb. 27 the House passed a bill authorizing the expenditure of \$132,500,000 for emergency highway construction in the hope of aiding employment. This bill is a Democratic measure which is opposed by the Hoover Administration as having "more the aspects of the pork barrel than of relief for unemployment." A bill to provide \$150,000,000 of Federal funds for rediscounting mortgages on houses is now before Congress and has been favored as a means for stimulating building construction and thus an aid to unemployment. The principal step so far for direct Federal relief is an act passed by Congress at the beginning of March and signed by President Hoover which provides for the free distribution of 40,000,000 bushels of Farm Board wheat to the needy and hungry. The milling of the wheat and the distribution of the flour are in the hands of the American Red Cross.

Meanwhile, in spite of drives for jobs on the part of United Action, a group of fraternal and business organizations, the American Legion and other bodies, unemployment continued at about the same level as in January, when 8,300,000 were estimated to be out of work. Unemployment and distress might be expected to stimulate radical agitation and outbursts of violence, but such has not been the case. In only one instance have recent demonstrations by the unemployed ended tragically—at the Ford Motor Company's plant in Dearborn, Mich. On March 7 nearly 3,000 unemployed of Detroit paraded from that city to Dearborn to ask the Ford Company for work. At the Dearborn city line the marchers clashed with police and in the resulting mêlée four persons were killed and more than sixty injured. As in all such episodes there

is disagreement over who began the fighting.

Quite naturally the spectacle of so many people without work throughout the country has raised the issue of unemployment insurance. On Feb. 14 a commission of experts appointed by the Governors of six large industrial States made public at Albany, N. Y., their recommendations for a system of State unemployment insurance. Although the scheme proposed is not far-reaching, it may be the thin end of the wedge. The report urged the compulsory formation of unemployment reserve funds based on a contribution by each employer of 2 per cent of his payroll. The percentage would be reduced to 1 per cent when the reserve accumulated equals \$50 for each employee. The funds would not be pooled, but would be maintained by each industry. The maximum benefit to be paid to an unemployed worker would be \$10 a week, or 50 per cent of his wage, whichever is lower. The benefits, moreover, would be enjoyed for only ten weeks in any one year. As a result of the report bills were introduced in the New York Legislature for compulsory unemployment insurance along the lines recommended. These proposals resemble the Wisconsin unemployment insurance act which became law in January. (See March CURRENT HISTORY, page 837.)

THE LAG IN BUSINESS

In spite of the various measures enacted by Congress for the relief of the nation's economic life, business was discouragingly slow in showing any improvement. The principal ray of hope has been in the banking world, where the number of bank failures has materially declined. In January 334 banks were closed—twenty-four less than in December—while the February record was expected to be much better, since for two weeks following Feb. 12 no national bank failures were recorded. The number of business failures in February declined

21 per cent from the January mark, although the total—2,732—was a record for that month. The general business index for January was 62.8, a further decline from the low figure for December. Construction in all its ramifications was in January at the lowest point since December, 1914. Foreign trade has suffered steadily during these months and years of depression. Added to the serious effect on trade of world-wide hard times are the obstacles to trade offered by the new tariffs of foreign nations and by the conflict in the Far East. American exports declined to \$149,901,309 for January—\$33,676,320 less than in December and \$99,696,654 under the total for January, 1931. Whatever may be the results of the Congressional legislation for economic rehabilitation, improvement in business generally is likely to be slow, although the administration's measures may prevent further decline.

POLITICAL MANOEUVRES

Pre-convention political manoeuvres during the past month took place mostly behind the scenes. Both in and out of Congress spokesmen for the two parties attacked and counter-attacked the claim for credit in passing the administration's program for economic rehabilitations, but these flights of political oratory did little to raise the standing of either party in the public's estimation. Occasionally one suspects that the country has come to realize that the Republican and Democratic parties represent essentially the same interests and that the real issue in elections is one of personalities rather than of principles.

The Republican party's chief problem at the moment seems to be one of organization. In spite of unrest within the party in the Middle West, President Hoover's nomination is certain, for no candidate in opposition to him has appeared. The selection of a chairman for the Republican National Committee has not been decided, al-

though reports indicate that William M. Butler of Massachusetts will be chosen.

Among the Democrats there is already a wealth of candidates for the nomination. The latest boom is that for Melvin A. Traylor, president of the First National Bank of Chicago. His supporters have sent out great quantities of literature extolling his abilities, his outstanding success in the world of finance and that traditional qualification of an American Presidential aspirant—birth in a log cabin. The candidacy of Speaker Garner received considerable support during February and was strengthened on Feb. 18 when William Gibbs McAdoo, former Secretary of the Treasury, came out for him. In addition to many favorite sons and dark horses like Newton D. Baker, Governor William H. Murray of Oklahoma has entered the race for the Democratic nomination as champion of "the great middle class and the little man."

The outstanding contenders for the nomination are, of course, Governor Franklin D. Roosevelt of New York and Alfred E. Smith, the Democratic candidate in 1928. The struggle between these two men was kept under cover, except as their supporters have clashed, until the Presidential preference primaries were held in New Hampshire on March 8. The vote cast was about 100 per cent greater

than in 1928 and the result of the contest was a sweeping victory for Governor Roosevelt, who polled approximately 12,490 votes to Mr. Smith's 7,949. During the next couple of months the pledging of delegates will be in full swing and the relative strength of both Roosevelt and Smith will become apparent.

THE LINDBERGH KIDNAPPING

Economic distress, politics and war in the Far East were all forgotten at the beginning of March when the word flashed through the country that on the night of March 1 the 20-month-old son of Mr. and Mrs. Charles A. Lindbergh had been kidnapped from his crib at the Lindbergh home near Hopewell, N. J. The fact that the misfortune concerned America's most popular hero, the prominence of the child's parents—Mrs. Lindbergh is a daughter of the late Senator Dwight W. Morrow—and the mystery attached to the baby's disappearance made a profound impression and roused the whole nation's heartfelt sympathy for Mr. and Mrs. Lindbergh as well as its abhorrence of the unknown perpetrators of the deed. In spite of a nation-wide search and the enlisting of the aid of the underworld, the child had not been found at this writing and, as far as the public was aware, the police had few clues as to the identity of the kidnappers.

American Loans to Haiti

By CHARLES W. HACKETT

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SENSATIONAL charges of undue American control over Haiti were made to the United States Senate Finance Committee on Feb. 10 by Georges Leger, brother of the Haitian Foreign Minister. It was stated that

since the military occupation in 1915 Haiti has been under American domination, that the American financial advisers provided by the treaty of 1915 have been absolute dictators in Haiti, and that "nine months

after the treaty [of 1915] was signed the Financial Adviser told the Haitian Government that it must ask for an American loan and that the treaty [which, under its original terms, was to expire in 1926] must be extended for ten additional years."

Mr. Leger said that the Haitian Government at first refused to do this, but finally, in 1917, consented to the extension of the treaty after the United States proposed that \$30,000,000 be borrowed abroad; that Haiti was without an elected government between 1917, when the Chamber of Deputies was "padlocked" by United States Marines, and 1930, when the Forbes Commission made an investigation of Haitian affairs for President Hoover; that the Financial Adviser was unable to float a loan for Haiti until 1922, in which year the Council of State, the extra-legal ruling body of the country, whose membership was "dictated by the military commander" (General Russell, the American High Commissioner), authorized a \$40,000,000 loan; that \$16,000,000 was then borrowed from the National City Bank of New York—the Haitian Government receiving \$14,000,000 net for its obligations, but promising to repay \$16,000,000.

Among the further charges made were that General Russell had prevented the re-election of President d'Artignave in 1922 because he was opposed to the loan; that the National City Bank had profited to the extent of \$2,000,000 or \$3,000,000 through purchases of depreciated Haitian railway bonds at the time when it was acting as financial agent for the government; that the Financial Adviser at present is in Haiti without legal authority, since the act of 1917, by which the treaty of 1915 was extended from 1926 to 1936, has never been ratified by either the Haitian or the United States Senate; and that the people of Haiti feel that the \$16,000,000 loan "was put upon them by the United States for the purpose of maintaining political control over Haiti," the De-

partment of State, according to Mr. Leger, having interpreted the provisions of the loan to permit the continuance of the American financial administration in Haiti until the loan matures in 1953.

The Department of State on the same day, Feb. 10, issued a statement concerning Haiti's financial situation since 1915. This said, according to an official summary, that "Haiti's total debt at the time of the American occupation in 1915 was about \$31,700,000. This was mostly for foreign loans issued in France, some for as low as 72.3 less gratuities. There had been several years of default in some of the amortization payments, and interest was met by internal borrowing at rates of 59, 56 and 47; salaries, &c., were in arrears. Under the American financial administration all claims were adjudicated and all foreign and internal indebtedness liquidated for a total of \$23,660,000. There is now no internal debt, and the foreign indebtedness was reduced by Dec. 31, 1931, to \$14,329,161.76. A surplus has been accumulated in the Haitian Treasury, in addition, which amounted on Sept. 30, 1931, to \$3,292,568.30."

Six days after this statement was issued, Secretary of State Stimson, in a letter to Chairman Smoot of the Senate Finance Committee, replied to the charge of Mr. Leger, saying that apparently General Russell had had nothing to do with preventing the re-election of President d'Artignave in 1922; that Leger, moreover, was in error in saying that Haiti had not been in default on any loans when the reorganization of finances took place in 1915; and that Leger's statement "that a continual state of martial law had existed in Haiti" since 1915 was not a fact.

CUBAN POLITICAL AFFAIRS

With his enemies completely vanquished, constitutional guarantees still suspended and Cuba in a state of war, despite the recent amnesty law and the freeing of the leaders of

the recent abortive rebellion, President Gerardo Machado continued during February to consolidate his already virtually absolute powers. A national militia, to be composed of all members of the national police and of volunteers, and to be recruited in the six provinces of the island, was created by a Presidential decree of Feb. 2. Since the militia may be recruited to any desired number and will be under his direct orders, President Machado by this new move has added greatly to his strength. An administration bill which provides that all persons charged with bombing or terroristic activities shall be tried by military courts—even turning over to the military courts all pending civil cases—passed the Cuban Senate on Feb. 2 and the House of Representatives on Feb. 16. By this measure about 150 imprisoned students, who are regarded as the bitterest enemies of the government, are subject to immediate military trial.

Explosions of bombs throughout the islands, reported early in February to be "less frequent but more deadly," continued during the month as evidence of determined terrorist opposition to President Machado. Between Feb. 8 and 22 four bombings were reported from Havana and one from Santa Clara. Considerable damage was done to property, and twenty-seven persons were arrested as a result. Meanwhile, the "old guard" political oppositionists to the Machado Administration, including former President Mario G. Menocal and Colonel Carlos Mendieta—both of whom, as leading participants of the August rebellion, were released from prison in January—issued a manifesto in which the government was attacked and a demand was made for a "return to a full constitutional régime."

In connection with municipal primary elections held throughout Cuba on Feb. 28 for the purpose of electing delegates of the Liberal, Conservative and Popular parties to municipal assemblies, one person was killed and

several were wounded. The newly chosen delegates, in addition to nominating candidates for local offices, will choose members of provincial assemblies; the latter, in turn, will elect delegates to the national conventions that are preliminary to the general election in November.

Having been retained by the Cuban Government to make a study of the country's fiscal system with a view to placing taxation on a more equitable basis, Professor E. R. A. Seligman of Columbia University on Feb. 9 presented to the Cuban Treasury Department a voluminous report of his investigations. The report covers in detail the taxation system now in vogue and contains a complete plan of reform based on recommendations which, the report estimates, will produce, if adopted, a revenue of about \$122,000,000 in normal years without undue burden upon the taxpayer. Professor Seligman stated that "the fiscal difficulties which Cuba is experiencing are caused by three factors: First, the general economic world crisis; second, the special conditions of the sugar market; and, third, the actual fiscal system."

Severe earth shocks were experienced at Santiago, Cuba, on Feb. 2 and 3. The damage done was estimated by United States Ambassador Guggenheim at between \$1,000,000 and \$2,000,000; thirteen persons were killed and many others were seriously injured. Frequent earth shocks of a minor character were felt at Santiago throughout the remainder of the month. A special session of the Cuban Congress to appropriate \$1,000,000 for the relief of the district was called by President Machado on Feb. 3.

MEXICAN CHURCHES REOPENED

Following the acceptance early in February by the Catholic Church of the recently enacted law which limits both the number of officiating priests and the churches in which priests may officiate in the Federal District to one for every 50,000 inhabitants,

religious services, after having been suspended for two months, were resumed in the Mexican capital. Official announcement was made on Feb. 13 that twenty-five of the largest Catholic churches, located in the most densely populated districts of Mexico City, had been allotted to Catholic priests. These churches included the Cathedral of Mexico City and the Basilica of Guadalupe. In a pastoral letter issued on Feb. 17 the Papal Delegate, Archbishop Ruiz y Flores, appealed for peace in Mexico, advised Catholics that the agreement reached concerning the law had the sanction of the Vatican, and warned them not to resort to violent protests against it and not to criticize the arrangement under which the Catholic Church agreed to function under the law.

It was on Feb. 25, however, that the most recent conflict between Church and State in Mexico virtually ended when Bishop Maximo Ruiz y Flores, brother of the Papal Delegate, said mass at the cathedral in Mexico City. The same morning mass was said in eight other churches, and the remainder of the twenty-five allowed within the city by the new law were expected to resume services within a short time. The Archbishop of Mexico, Mgr. Pascual Díaz, not having been one of the priests designated to function in Mexico City, was obliged to officiate in a church in the neighboring State of Mexico, where no restrictive legislation has been passed.

Suspension "for the public good," until further notice, of the granting of government permits for the exploitation of petroleum throughout Mexico was announced in a Presidential decree on Feb. 13. The decree also instructs the Department of Industry, Commerce and Labor to begin at once to study all existing petroleum permits in order to make recommendations for a fixed basis on which future permits may be issued.

Signs which protested against the imposition of death sentences on

eleven Communists in Guatemala and invoked the death of President Ubico of that country were painted on the walls of the Guatemalan Legation in Mexico City on the night of Feb. 11, and occasioned the placing of a heavy police guard about the building. That "this murderous attack by the Guatemalan Government was instigated by Yankee and British imperialism" was alleged by the executive committee of the Juvenile Communist Federation of Mexico.

Vigorous protests against the detention on Feb. 19 in Cananea, State of Sonora, of C. K. Mong, the Chinese Vice Consul, and also against the wholesale deportation of Chinese from the State of Sonora to the State of Sinaloa, were made to the Mexican Foreign Office on Feb. 20 by Samuel Sung Young, the Chinese Minister to Mexico. He stated that he had been advised that "Governor Rodolfo Calles has ordered the deportation of every Chinese in the State of Sonora." Similar charges and others giving details of alleged outrages committed against Chinese citizens in Sonora were made by Yao Hsiang-peng, Chinese Consul in Nogales, Sonora, on Feb. 25.

Alberto J. Pani, retiring Mexican Ambassador to Spain, reached the Mexican capital on Feb. 14 and assumed his duties as Minister of Finance. A statement issued by President Ortiz Rubio on Feb. 11 said that former Finance Minister Montes de Oca had been ordered during his stay in the United States to study on behalf of the Mexican Government the United States Federal Reserve System. This announcement was interpreted in some quarters as discrediting rumors to the effect that Señor Montes de Oca had left Mexico under a cloud because he had mixed too freely in politics and had sought the Presidency.

THE SALVADOREAN PRESIDENT

The National Congress of El Salvador on Feb. 5 "declared constitutionally legal the advance of Vice President Maximiliano Martínez to the

Presidency of the republic," which occurred early in December, following the overthrow and subsequent exile of President Arturo Araujo. The Congress also invested President Martínez "with authority to complete the four-year period established by the Constitution." The above action did not affect the attitude of the United States, which has refused to recognize the government of President Martínez because it came into power by revolution.

REBELS ACTIVE IN NICARAGUA

Insurgent activities in Nicaragua were on the increase early in February. Five engagements with rebel groups in four days, in which ten insurgents were killed and a number wounded and one National Guardsman wounded, were reported on Feb. 9 to the Navy Department in Washington by Brig. Gen. Randolph C. Berkeley, commanding the Second Brigade of United States marines. That Sandino, the rebel chief in Nicaragua, had built up his army to 2,600 men, with thirty-six machine guns and plenty of rifles and ammunition, and was prepared to launch an attack on Managua, was asserted on Feb. 25 by Dr. Pedro José Zepeda, Sandino's representative in Mexico City. Department of State officials in Washington, however, were reported not to have taken Dr. Zepeda's statements seriously.

REVOLUTION IN COSTA RICA

A revolutionary outbreak followed the elections in Costa Rica on Feb. 14 when none of the candidates for the Presidency received the necessary majority of the votes, and Manuel Castro Quesada, former Costa Rican Minister to Washington and apparently second choice of the country for the chief executiveship, attempted a *coup d'état*. Seizing command of the Bella Vista military barracks, opposite the United States Legation at San José, Castro Quesada on Feb. 15 defied the govern-

ment and proposed to contest the apparent election of Ricardo Jiménez Oreamuno. Street fighting occurred in the capital on Feb. 16, resulting in the death of six persons. President Cleto González Víquez and Minister of War Arturo Quiros took refuge with loyal government forces in the military garrison on a hill south of the city. The rebels were reported to number between 500 and 600 and to be well equipped with ammunition; the government was said to be in control of the capital police, numbering 300, and the regular army of not more than 400. All banks in San José were closed and outside wire communication was suspended.

Considerable fighting took place on Feb. 17, with the rebels losing many killed, wounded and captured. It was also reported that the government had ordered the abandonment of the United States Legation and the evacuation of San José by all civilians by 11 A. M. on Feb. 18, the hour set for a bombardment of Bella Vista barracks, which were said to have been surrounded by loyal forces. A peace parley held on Feb. 18 in the United States Legation, upon the invitation of United States Minister Eberhardt and in the presence of the entire diplomatic corps, however, brought the rebellion to an end, and the rebels agreed to surrender on condition that Castro Quesada and his chief aide, General Volio, be allowed to leave the country.

In accordance with the Constitution, when no Presidential candidate receives a clear majority, another election must take place. The Costa Rican Congress on March 1 refused to consider the resignation of Castro Quesada as a candidate, despite his rebellious activities, and at this writing it appears that the voters in April will be called upon to choose between him and the leading figure in the February elections, Ricardo Jiménez Oreamuno.

Rebellious South America

By HENRY GRATTAN DOYLE

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THE fallacy of generalizations about the South American republics—obvious enough when one considers their vast geographical extent and their striking differences in climate, economic life and ethnological make-up—is brought sharply into relief from time to time by a month's political developments. Such a month is that just past. The welcome news of the end of the provisional régime in Argentina and that country's return to an elected administration on Feb. 20, after seventeen months of semi-military rule, was counterbalanced by the usual crop of rumors of Red activities in various South American countries and by definite indications of serious political unrest in Brazil, Chile and Peru, which culminated in an attempt to assassinate President Sánchez Cerro of Peru on March 6. Superficial commentators among our own people thereby gain new material for time-worn observations about Latin-American revolutionary tendencies, the political incapacity of the Latins and so forth.

Yet in spite of the apparent aptness of such political platitudinizing there is evidence enough of slow but steady progress toward democratic government in a number of the countries. The reports of revolutionary activity in Brazil, for instance, may and probably do indicate dissatisfaction with the present administration's failure to restore constitutional government quite as much as they exemplify the old struggle of the "outs" against the "ins." The fact that Brazil alone of the countries involved in the political overturns of 1930 and 1931 still has

a revolutionary government, which has so far given no definite indication of any early effort to follow the example set by Bolivia, Peru, Chile and most recently by Argentina in calling elections and entrusting power to a régime born of the ballot box, has been commented upon here from time to time. Dissatisfaction with this situation may just as well be due to sincere devotion to republican principles as to inborn political "cussedness," and to that extent may represent political progress rather than political retrogression. Reports that strong supporters of President Vargas in the revolution of 1930 are among the disaffected lend color to this interpretation of the present unrest in Brazil.

The difficulties of the recently elected governments of Peru and Chile, on the other hand, seem rather to belong to the familiar category of conflicts between "outs" and "ins," complicated of course by the staggering economic burdens under which these governments, in common with those of other countries, are laboring. Nor should we lose sight of the inherent difficulties of parliamentary government in countries (like Peru and Chile) in which a system ideally fitted for two-party government has been established among peoples whose political psychology almost universally tends to foster a multiplicity of parties and party groups. At the risk of indulging in one of those generalizations against which we have consistently warned, we may say that the problems of parliamentary government in South American countries are usually due to this centrifugal ten-

dency, which impedes party cooperation and thereby presents a barrier to democratic progress. Minority Presidents and coalition governments rarely have an easy path to follow; they thrive best in times of recognized national crisis. Economic disaster has been hovering over some of these countries so long that it has lost much of its power to bring their leaders together in unselfish cooperative effort to solve their national problems.

ARGENTINA'S NEW PRESIDENT

With a promise to support constitutional reforms and to "encourage trade with countries offering Argentina reciprocal advantages," General Agustín P. Justo took the oath of office before the Argentine Congress on Feb. 20 and then proceeded to the Casa Rosada, the Presidential residence, where General José Francisco Uriburu, the retiring Provisional President, handed over to him the Presidential sash of blue and white, together with a document formulating the constitutional reforms proposed by General Uriburu some months ago. The new President promised to support reforms "necessary to prevent renewal of the conditions which shook the Constitution," and the brief ceremony was over.

Thus Argentina again assumed her place among the nations administered by elected Presidents. The inauguration took place on the anniversary of the battle of Salta, one of the battles of the War for Independence, which took place on Feb. 20, 1813. Among the last acts of the Provisional Government were decrees permitting the return of the political exiles and pardoning ex-President Hipólito Irigoyen. This example was followed by the new administration, which promptly restored freedom of speech and of the press and the other constitutional guarantees suspended under the Provisional Government, and lifted the "state of siege" (martial law) which

had prevailed since September, 1930.

The new President was just under fifty-six when he took office. After a brilliant career as an engineer in the army he became Minister of War in the Cabinet of President Marcelo de Alvear, serving throughout the latter's administration (1922-28). As Minister of War he brought the army to a high state of efficiency and fostered aviation. In politics General Justo was an opponent of ex-President Irigoyen, belonging to the anti-personalist or anti-Irigoyen wing of the Radical party, of which Dr. Irigoyen was titular head. He was active in planning the revolution led by General Uriburu and was at first a member of the Provisional Government, but soon resigned, allegedly because of a disagreement over policy, General Justo supporting early elections and an immediate return to constitutional government, General Uriburu insisting on delay.

Serious problems, financial and political, face the new government. Salaries of many State employes are in arrears and an income tax, introduced by the Provisional Government for the first time, is likely to be difficult to collect, such taxes being generally unpopular in Latin-American countries. Even the increased taxes on tobacco, matches, alcoholic beverages and gasoline will probably not meet Argentina's financial requirements, and it is likely that tariffs will also be further raised.

On the political side, the restoration of free speech and the return of the political exiles have created a difficult situation. Former President Irigoyen, while accepting his freedom, refused the pardon extended to him and demanded that he be tried on the charges against him of having tolerated irregularities during his administration. A court decision, however, makes acceptance of the pardon mandatory. Disorders following the return of the former President and other deported Radical leaders led to clashes

with police on Feb. 28, in which two persons were killed and twenty wounded during a demonstration at the office of President Uriburu's newspaper. One of the returning deportees, General Baldrich, challenged General Uriburu to a duel, but dueling authorities held that sufficient grounds for such an encounter did not exist.

La Crítica, a newspaper suppressed ten months ago by the Provisional Government, resumed publication on Feb. 22 and immediately began attacking the "dictatorship" of the former Provisional President. Charges of brutal treatment of political prisoners under the Uriburu régime appeared in other newspapers, and Leopoldo Lugones, former chief of the political section of the Buenos Aires police, had to be protected by Brazilian police from attacks by members of the crew when the vessel on which he was traveling to Europe reached Santos, Brazil.

ATTEMPT TO KILL PERUVIAN PRESIDENT

On March 6 President Luis M. Sánchez Cerro of Peru was wounded by a would-be assassin who was himself wounded by the President's aide after two other persons had been shot in the fracas. The attack took place in a church at Miraflores, a Summer resort, where the President had gone to attend mass. It was reported that the criminal, who was captured, is an Aprista, that is, a member of the "Apra" (*Asociación Popular Revolucionaria Americana*), leading Opposition party, whose head, Raúl Haya de la Torre, was an unsuccessful candidate for the Presidency against President Sánchez Cerro last year. Following the attempted assassination, martial law was declared for thirty days, during which the Cabinet governed the country.

The attack on President Sánchez Cerro followed several months of difficulties with the Apristas, who have never entirely accepted the results of

the elections of last October. After a number of clashes in Congress and on the streets the government announced on Feb. 16 that it had discovered evidence of a "Leftist" revolt. Thereupon it proceeded to arrest and deport thirteen Opposition leaders, including not only Aprista Deputies and journalists but Colonel Gustavo Jiménez, Minister of War under the Provisional Government of President Samánez Ocampo last year and also an unsuccessful candidate for the Presidency. More members of Congress were arrested a few days later, and the issue of Congressional immunity was then raised by Deputies not in sympathy with the Aprista Opposition. Other Deputies then absented themselves, and only 53 of the 133 members of Congress have remained. According to reports, however, these have voted confidence in the administration. Some of the exiles have reached Panama, others are in Colombia, while Haya de la Torre is reported to be in hiding.

Charges of affiliation with Moscow have been made against the Apristas by government agencies, and a letter alleged to have been written by Haya de la Torre in 1929 has been made public by the government. In it the writer urged that the party conceal its Communistic leanings for the time being. In an interview in New York last year Haya de la Torre denied any such affiliation.

It is unfortunate that President Sánchez Cerro's repressive measures have involved several of his former rivals for the Presidency. In addition to the action against Colonel Jiménez, another candidate in the elections of last year, José María de la Jara Ureta, Peruvian Minister to Brazil, was summarily removed on March 2 "because he sent directly to the President a telegram containing false information regarding the internal politics of the country," instead of using diplomatic channels. The President has also been in conflict with the students of the

University of San Marcos in Lima, which was closed on Feb. 20. This is usually a bad sign in South America and augurs ill for the continued peace of mind of the government. The government has, moreover, alienated the Decentralists, a progressive group, on the issue of parliamentary immunity.

UNREST IN BRAZIL AND CHILE

It will be recalled that the successful Brazilian revolution of 1930 owed its inception in large part to rivalry between the States of Rio Grande do Sul and Sao Paulo, represented respectively by the present Provisional President, Getulio Vargas, and the President whom he displaced, Washington Luis. In the revolt the *Allianca Liberal* had the support of a number of Northern States and of the State of Minas Geraes. The long delay in setting up a constitutional government now appears to have alienated not only the Northern and Central States but the President's own State as well. Unconfirmed reports from Uruguay on March 4 stated that revolts were in progress in Porto Alegre and Sao Paulo and that a number of leaders in the Vargas revolution had resigned their governmental posts, including two Cabinet officers, Lindolfo Collor, Minister of Labor, and Mauricio Cardoso, Minister of the Interior and of Justice. The latter had assisted in drawing up the new electoral law, promulgated by the President on Feb. 24, which provides for compulsory voting for eligible males over eighteen years of age and for voluntary voting by women. The secret ballot is another provision of the new law. Comment was made at the time of issuance of the decree upon the failure of the government to announce when the new elections would be held. It is reported that the original revolutionary group has divided on this issue, as well as on the question of punishment of army officers and soldiers for recent at-

tacks on the offices of newspapers which had criticized the army.

The Chilean Government on Feb. 23 announced that a plot to restore former President Ibáñez, now living in Argentina, had been discovered. A number of arrests were made, the prisoners including a former military aviator, who had planned, it was said, to transport Ibáñez by plane to Chile. On March 8 Dr. Carlos G. Dávila, Chilean Ambassador to the United States under the Ibáñez régime, was arrested on charges of participation in Communist and Labor plots for the overthrow of the government. The charges were brought, according to reports, by a detective who hid in a closet in a room where Labor leaders were meeting and heard Dr. Dávila's name mentioned. The former Ambassador was released, however, on March 11. Dr. Dávila has been a severe critic of the government in his weekly publication, *Hoy* ("Today"), but his reported association with Communist activities would seem ridiculous to those who knew him while in his country's service here.

"Red" activities have been reported from Ecuador, Bolivia, Paraguay and Uruguay. The Chief of Police of Asunción, Paraguay, declared on March 6 that Brazilian and Chilean radicals had been deported from his city, which the Communists had planned to make the headquarters of South American activities. An attempted general strike in Montevideo, Uruguay, early in February was a failure. Communists in Uruguay were reported as writing "Down with Terra's Fascist Government!" on banknotes coming into their possession, and the Bank of the Republic announced that notes so defaced would not be accepted. Nepomuceno Saravia, accused of leading a Communist revolt in Northern Uruguay several weeks ago, was acquitted on March 1 on the ground of insufficient evidence.

Britain Asserts Her Solvency

By J. BARTLET BREBNER

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THAT the British people had consumed \$500,000,000 of their capital during 1931 was the simple statement to which Walter Runciman, president of the Board of Trade, in the course of a speech in the House of Commons on Feb. 9, reduced the disquieting statistics of the nation's economic position. Although almost half the world, he added, still linked its currencies to sterling, foreign balances were being steadily withdrawn from London, and every fall in the gold value of sterling increased the difficulty of purchasing raw materials abroad. A week later *The Board of Trade Journal* published the full national balance sheet for 1931 in corroboration of Mr. Runciman's statement. In addition, Great Britain had in August, 1931, borrowed \$650,000,000 in a vain effort to support sterling exchange.

Within a month from Mr. Runciman's unnecessarily gloomy picture the situation was relieved by a series of dramatic achievements. On Feb. 1 the first \$250,000,000 of the August borrowings was finally liquidated. On Feb. 18 the bank rate was reduced from 6 to 5 per cent, the first cut by as much as 1 per cent at a time since August, 1914. On March 2 Neville Chamberlain, Chancellor of the Exchequer, made a number of startling announcements. The restrictions on dealing in foreign exchange were abolished because the government was satisfied with the stability of sterling. Out of the \$200,000,000 borrowed in New York, \$150,000,000 was to be paid at once, six months before maturity. Of the similar amount borrowed in Paris, all but \$35,000,000

had been repaid. All this had been accomplished without strain on the budget. The Bank still had over \$600,000,000 in gold. In other words, the United Kingdom had, in about five months, paid off \$565,000,000 out of \$650,000,000 of indebtedness with the loss of only about \$50,000,000 in its gold reserve.

Two other accomplishments increased the prevailing optimism. In January, 1932, as compared with 1931, imports fell by £13,000,000 and exports by £7,000,000, to reduce the adverse trade balance for the month from £32,000,000 to £26,000,000. In the second place, the revised civil and military estimates promised a reduction of \$64,000,000 in expenditures. In view of the remarkable tax collections it was anticipated that the year would end in March with a balanced budget, perhaps even with a surplus.

The response to this news was immediate. Stocks rose on the Exchange and new flotations began to be oversubscribed. Withdrawals by France, which continued until the early days of March, were offset by foreign purchases of British funds, and the rise in sterling was accelerated. The British financial authorities held the movement in check by selling sterling, but on March 7 they either gave up or speculative forces swept them aside, and the pound rose by 17 $\frac{3}{8}$ cents to \$3.70 $\frac{1}{4}$. Its lowest point since Sept. 21 was \$3.24 $\frac{3}{4}$ on Dec. 7 and as late as Jan. 6 it stood at \$3.35 $\frac{1}{4}$.

Meanwhile, probably because of the continued decline in the gold prices of commodities and the reduced purchasing power of the British public, prices had actually declined from the

level of the first week of January. The Board of Trade index of wholesale prices for January was the same as for December, a full point lower than in January, 1931, and only six points above September, 1931. Crump's index showed a very slight increase between the weeks of Feb. 14 and Feb. 21, but at 65.6 it was still below the rate at the end of 1931. Neville Chamberlain warned the country that it might expect a rise in prices after the imposition of the tariff on March 1, but Sir Josiah Stamp came nearer to the heart of the matter when he pointed out that whenever gold prices ceased to decline Great Britain must for the second time since the war make the fateful choice between a higher pound and higher prices. Actually, even the great pre-tariff rush of imports had failed to depress sterling and thus raise internal prices.

There were three interesting features of the assertion of national solvency. The most spectacular was the "rush" to sell gold and to pay taxes. The public imagination was caught by the spectacle of queues being formed for these demonstrations of patriotic confidence. A duke sold his coronet and commoners parted with hoarded sovereigns. Apparently about \$17,000,000 was realized by these means. The tax officials could not keep up with the taxpayers and receipts ran far above 1931. Yet it was generally agreed that the least conspicuous movement had had the greatest effects. This was the continued movement of hoarded Indian gold to London, where its sale (after liquidating sterling indebtedness) to France and the Continent played the major part in reducing the debt to France and in raising the price of sterling. No authoritative statistics of the movement were available, but in mid-February it was estimated that \$185,000,000 worth of gold had arrived from India since September.

In spite of these performances, Great Britain, of course, was by no

means clear of her economic troubles. Basically the country was realizing upon some of its foreign holdings to pay its debts. The process meant a further decrease in income from overseas investments and greater difficulty, therefore, in correcting a trade balance which was still adverse. This emphasized the eternal dilemma concerning tariffs, that is, whether the immediate effect of reducing imports was more desirable than the long-run interest in increasing exports by doing everything possible to free international trade through breaking down tariff barriers. The Conservatives held to the first view and insisted that they would, moreover, use the British tariff to bargain for reductions elsewhere.

Viscount Snowden made his maiden speech in the House of Lords on Feb. 29 in vain opposition to the tariff which became law the next day. The government to which he belonged had sponsored the measure in the face of his and other Cabinet Ministers' dissent. He and Sir Herbert Samuel had been placed in an almost intolerable position, and it was freely predicted that they and perhaps the other Free-Traders would have to resign. Snowden himself said that he and his friends had actually resigned, had been persuaded to stay, but would finally resign if tariff revenues were used to reduce income taxes.

The tariff itself emerged from the debates in almost unaltered form. Indeed, it was amended, not in response to criticism from the Opposition, but from the stubborn "back-benchers" of the vast Conservative majority. The free list, which, before any dominion or Indian preferences had been arranged, covered between 35 and 40 per cent of imports, was drawn up in the light of home resources, needs for food and other raw materials and free importations from the resources of the colonies. Pending the Ottawa conference, the tariff was not to apply to the dominions or India before Nov. 15.

The free list included wheat and maize in grain, meat, fish of British taking, live quadrupeds, raw cotton, cottonseed, linseed, raw wool, tea, hides and skins, flax and hemp, newsprint and wood pulp, raw rubber and iron ore. Coal, steel for shipbuilding and some other items were freed to avoid countervailing tariffs abroad and, after debates over sixteen requests for deletion from and eighty requests for additions to the free list, a few minor items were added. It had been proposed that the government might add to the free list during the first six months, whereas deletions might be only by act of Parliament, but legal obstacles caused this to be dropped.

The revival, after a century, of the corn laws did not proceed with the same rapidity, although the government was committed to the policy. The bill was subjected to criticism from both free-trade and protectionist extremes, but its central form embraced the old device of a fixed price for wheat, 45 shillings a quarter (\$1 a bushel with the pound at \$3.52), with a maximum of 50,000,000 bushels of domestic production to be included. The British grower would receive from the Wheat Commission certificates entitling him to the difference between the legal price and the average world price. A Flour Commission would act as intermediary between millers and consumers in the distribution of flour. Uncertainty as to dominion quotas and commercial bargains with Argentina and the United States contributed to the tentativeness of this legislation.

The cabled summary of the unemployment figures for January, published here last month, was incorrect in that the number 2,131,298 included only the wholly unemployed. The total figure as of Jan. 25 was 2,728,411, being 135,761 more than a year before. The new form of report was more informative than the old in its statistics of the classes receiving relief and of

the duration of unemployment. Of the total reported, 56 per cent were entitled to insurance, the insurance of 33 per cent had expired and they were receiving "transitional" relief, and 11 per cent were uninsured; 72 per cent had been unemployed for less than six months, 56 per cent for less than three months and only 14 per cent for twelve months or more.

No extraordinary changes in industry took place. Steel production, for instance, had increased, but pig iron production had decreased. The cotton trade was feeling the adverse effects of war in the Far East. As an incident of the guerrilla struggle between mill owners and operatives over the "more-looms-to-a-weaver" issue, 4,040 weavers were on strike in Burnley, but on March 8 it was reported from Manchester that a general agreement on that question was about to be concluded. Such a settlement would have profound effects on the textile industry. There were three outstanding clashes between police and unemployed, two in Bristol on Feb. 9 and 24 involving between 2,000 and 3,000 each time and one in London when 2,000 men marched from Hyde Park to the Houses of Parliament.

The Conservative party retained three constituencies in by-elections during February. In each case the total vote was greatly decreased, but the Conservative majority even more so.

DE VALERA PRESIDENT OF THE IRISH FREE STATE

As a result of the fifth appeal to the electorate of the Irish Free State since the treaty of 1921, Eamonn de Valera on March 9 became President of the Executive Council in succession to William T. Cosgrave. [For an account of recent developments see Stephen Gwynn's article, "The Shift in Irish Leadership," on pages 8-14 of this magazine.]

The general election held on Feb.

18 was more inconclusive than had been expected even in the light of a system of proportional representation which favors minorities. De Valera's party, Fianna Fail, together with their Labor allies, received slightly more than 50 per cent of the first preference votes. The distribution in the Dail Eireann before the election was:

Government, 85 seats, made up of 65 Cumann Na nGaedheal (Cosgrave), 12 Independents, 6 Farmers party and 2 Independents Labor;

Opposition, 67 seats, made up of 56 Fianna Fail, 10 Labor and 1 Independent Republican.

After the election one Cosgrave supporter died, necessitating a by-election, but disregarding this seat, the new alignment is:

Government, 79 seats, made up of 72 Fianna Fail and 7 Labor;

Opposition, 73 seats, made up of 56 Cumann Na nGaedheal and 17 Independents.

Since the small Labor group now definitely possessed the balance of power, they planned to exploit it. Mr. Cosgrave's group still controlled the Senate, which, whenever it pleased to do so, could delay measures passed by the Dail for eighteen months.

Except in Leitrim and Sligo, where the assassination of one Cosgrave supporter and an attempt on the life of another necessitated a fortnight's postponement of polling, the election was remarkably quiet. Mr. Cosgrave was disappointed in his hopes of a large poll and the South of Ireland Unionists persisted in their eleven-year refusal to vote at all generally for any Irish party. Mr. de Valera and his lieutenants stage-managed a lively campaign which won Irish youth by many of the devices made familiar by Mussolini and Hitler. They were full of confidence and on the offensive; Mr. Cosgrave had the less exciting task of appealing to his record.

The election was really fought for and against de Valera's platform. He

proposed to abolish the modified oath of allegiance to the King, to repudiate (but collect for the Irish Treasury) the £3,000,000 of annual payments to Great Britain for the advances made under the old land purchase schemes, to repeal the recent public safety act and free all political prisoners, and to raise an unscalable Irish tariff.

As the results of the election became clear, Fianna Fail fell out with Labor, whose dictation, emanating from seven men, was distinctly galling. Nevertheless, it was obvious that de Valera was growing cautious, but was being harassed by his own extremists. The approach of the Eucharistic Congress was said to be an influence in favor of his beginning with his least controversial legislation. The Labor party, moreover, insisted that repudiation of the oath could wait and that the annuity payments to Great Britain should not be canceled, and that while it would be glad to see the public safety act repealed, its real interest was in better social conditions. All these things were less important than the fact that Great Britain takes 90 per cent of Ireland's exports and has in her new tariff the weapon she used with such disastrous effect in the eighteenth century. Any Free State Government must bargain with Great Britain, whether at the Ottawa Conference in July or in London before then.

The Dail Eireann met on March 9 and by 81 to 68 votes elected Mr. de Valera President of the Executive Council. The Governor General having signified the royal assent to his election, Mr. de Valera announced the new Cabinet.

The appointment of an Attorney General was postponed for a few days; the position was to go to a member of Fianna Fail, from whose ranks the whole Cabinet was chosen. Apart from Mr. de Valera, who now becomes the spokesman of the Free State in the British Empire and at the League of Nations, Sean Lemass, the Minister

for Industry and Commerce, was regarded as the leading member of the Cabinet. He has been Mr. de Valera's chief lieutenant and his party's ablest organizer.

A test of the new government's strength came almost immediately when the Dail proceeded to the election of the Speaker. The de Valera forces were determined to have one of their own members preside over the House, while Mr. Cosgrave and the Independents vigorously opposed the change on the ground that the Dail would lose much of its uniformity of procedure if there were a new Speaker with every change of government. When the vote was taken Frank Fay, Fianna Fail member, was elected in place of Michael Hayes, who had been Speaker for ten years, by a majority of only two—79 to 77 votes.

CANADA PAYS HER WAY

Ever since the end of 1931, when heavy Canadian commitments in New York coincided with governmental restriction of gold exports to depress the Canadian dollar by 20 per cent, there had been an almost uninterrupted daily fractional recovery until on March 7 it stood at 90 cents in New York. The Dominion Government has assumed the double task of keeping the gold reserve at a good margin above its legal minimum and of rationing gold exports. During February about \$8,000,000 in gold went to New York. It was announced that the Dominion had accepted notes from the four Western Provinces amounting to over \$11,000,000 and had paid a corresponding amount for them in New York. In addition, both British Columbia and Alberta, following the recent Canadian fashion, succeeded in floating internal loans of \$5,000,000 each at 6½ per cent to meet immediate obligations.

Another factor in this exchange rehabilitation has not been estimated but has played a considerable part. Canadian holders of gold or United States dollar bonds have shown their

confidence by selling these bonds in large quantities in New York. Since Christmas their confidence has been justified at the rate of 5 per cent a month. The maintenance of a favorable balance of trade has also helped. The Bureau of Statistics announced that for the ten months ending Jan. 31 Canada's favorable balance had been over \$24,000,000. The balance with the United States was still adverse by \$3,700,000 in January, but it had been so by \$11,400,000 in January, 1931. The total burden of internal debt, however, was a source of anxiety to the government, and it resolved to initiate proposals for currency stabilization at the Ottawa Conference.

Industry and employment improved during January and February, but wage cuts were common. All Federal salaries were to be reduced by 10 per cent after April 1, and on Feb. 15 the Federal estimates were cut by \$46,000,000, about 11 per cent.

The Judicial Committee of the Privy Council allotted control of radio broadcasting and reception (and inferentially of aviation) to the Dominion on Feb. 9, by rejecting appeals by the Provinces of Quebec and Ontario. This decision revived interest in the recommendations of the Aird Commission of 1929 for a governmental system consisting of seven large and some subsidiary stations, to be supported by a \$3 receiving license, the renting of hours for indirect advertising and a Federal subsidy. Canada as a whole has been offended by the programs which it receives from the United States. There was also the likelihood that if the national system were set up, a new agreement would be negotiated with the United States for the allocation of channels for broadcasting. This question was allowed to lapse during the Supreme Court and Privy Council appeals.

AUSTRALIAN DEBT DISPUTE

The struggle which has been going on between the Australian Federal Government and Premier Lang of

New South Wales entered another stage with the Federal payment of the New South Wales default of Feb. 1. Mr. Lyons, the Federal Prime Minister, on behalf of his government, the Federal Loan Council and the Commonwealth Bank, aimed at the maintenance of national credit by the utmost financial orthodoxy, while Mr. Lang, who crystallized his point of view in his question, "Babies or Bondholders?" has won electoral support by disregard of ordinary economic procedure. The New South Wales Government relieves unemployment generously, pays high wages for short hours and maintains various kinds of special subsidies and bounties. Naturally it cannot pay its external debts, but Mr. Lang does not pretend to, so long as he can find the money for domestic expenditures. During 1931 the Federal Government paid out £4,500,000 (the Australian pound has been at 25 per cent discount in terms of the British for over a year) to meet his defaults, but at the beginning of February his State faced immediate obligations of about £17,000,000 and the repayment of a £13,000,000 loan in November. Its population is about 40 per cent of that of the whole Commonwealth and it is entitled to about £250,000 a month from the Federal Government to help in meeting interest on its debts.

The new Federal Parliament met at Canberra on Feb. 17 and at once set about the definition of financial relations between the Commonwealth and the States. A bill was introduced making the Federal Government responsible for a State's bonded indebtedness when the high court declares a default, but in return empowering it, following a resolution from both Federal houses, to seize State revenues, divert State taxation to the Federal Treasury and imprison State taxpayers who persist in paying the State. It was anticipated, also, that in the present instance Mr. Lang would soon be unable to meet government salaries

and would thereby lose electoral support. The proposal of radical New South Wales Labor for immediate revolution was rejected by the State Labor party, by 81 to 11 votes, on Feb. 16, and revolution by constitutional means accepted in its place. On Feb. 6, however, Mr. Lang's candidate won a by-election over Mr. Lyons's candidate in East Sydney.

It was announced that Stanley Bruce and Harry Gullet, both Cabinet Ministers, would represent Australia at the Ottawa Conference, and that Mr. Bruce would afterward go to London as "Minister representing the Commonwealth," chiefly to deal with financial problems. Inasmuch as Mr. Latham was representing Australia at Geneva, Mr. Lyons did not feel free to leave Australia to go to the Ottawa Conference.

DISINTEGRATION IN INDIA

The little news that has recently come from India has been discouraging from almost any point of view. Everything points to a progressive disintegration of the Indian unity and British cooperation so painfully attained in the last few years. The rift between Hindus and Moslems deepened to the point of Moslem refusal to cooperate with the Hindus on the consultative committee now at work in India on the minorities problem. That task was handed back to the British Prime Minister. The next step of the Moslems was taken on March 6, when the working committee of the All-India Moslem Conference threatened to boycott the renewed Round-Table Conference unless the full demands made in the interests of the Moslems were met.

Hard words have passed between Moslems and Hindus, and clashes between the Moslems of Kashmir and the police of their Hindu ruler have continued. Trouble between the Moslem Red Shirts of the Northwest frontier and the British Administration broke out again early in March

and was complicated by systematic agitation among the hostile Afghan tribesmen. Perhaps the most disquieting news was that the princes of the native States, whose support had made the Federal proposals possible, were trying to discover a way of backing out. It seemed likely that Great Britain must again dictate a new Constitution for India and take all the blame if it did not work.

The stern measures of repression since the end of December have involved 15,000 arrests and 12,000 convictions. The punishments were usually short prison terms. This drive succeeded in decreasing disorder and civil disobedience, but picketing continued. During the year ending with August, 1931, British exports to India declined by one-third as compared with the year before.

The Passing of Briand

By OTHON G. GUERLAC

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ARISTIDE BRIAND died on March 7, three weeks before his seventieth birthday. Entering Parliament at the age of 40, in 1902, after having been defeated several times, he became a Cabinet Minister in 1906. That was the first of more than twenty portfolios which he was to hold. In 1909, after the fall of Clemenceau, under whom he had served, he was invited to form the first of the eleven Cabinets over which he presided.

His career was full and brilliant, although perhaps not as regular as that of several of his contemporaries, for instance, Poincaré, who preceded him by fifteen years in public life and remained all the time in the same party. Briand's early years were far from conventional. Born at Nantes on March 28, 1862, of modest parents of peasant stock who kept a café, he was educated at the *lycée* of his native city, then studied law and was admitted to the bar. Having had a somewhat bohemian youth, his associations and natural leanings led him into the Socialist party, which in the late '80's was becoming very active in France, claiming the allegiance of many ardent and ambitious young men. Briand

wrote for Socialist papers and attended Socialist conventions, and it was at the Labor convention of 1894 at Nantes, in a controversy with Jules Guesde, the Marxist leader, that he won his first laurels. Soon he was looked upon as one of the hopes of the party. His enemies later took pleasure in reproducing some of the speeches he delivered during this early phase of his career—and, indeed, many of his statements of that time come pretty near falling under the head of "incitations to rebellion" or attempts to overthrow the government "by force and violence."

But even then, in those meetings where bitter dogmatism often prevails, he appears to have gained a reputation for good-humored compromise and conciliation. His skill as a speaker and his splendid voice soon won him praise even from outsiders, and very early *Le Temps* and other "bourgeois" papers spoke of him in flattering terms. Unable for a while to continue his career as a lawyer, Briand went to Paris and became editor of such "advanced" papers as *La Lanterne* and *La Petite République*. He was then a member in good standing of the Unified Socialist party. Social

ists prosecuted for their participation in strikes or for their advocacy of "dangerous" doctrines used to call on him to defend them. Thus, when Gustave Hervé, then a young professor in the provinces, was haled for anti-patriotic sentiments before the criminal court, it was Briand who defended him—not only as a lawyer but as a fellow Socialist, who shared the views of his client and wanted the jury to know it. It was about this time that Briand, having to plead in a murder case arising out of a strike, claimed for himself the name of labor leader, or *meneur*, which has in French a rather derogatory connotation.

When, in 1902, he finally found in the industrial city of St.-Etienne a constituency willing to send him to the Chamber of Deputies he became a legislator. The bill for the separation of church and State, long a plank in the Radical and Socialist platforms, came before the Chamber in 1904, and Briand was the man chosen to champion the measure. In the sittings of the committee as well as in the debates before the House, M. Briand surprised every one by his spirit of fairness and his ability to see both sides of every question. Nor did he display merely a moderation unexpected in a propagandist of the class struggle. He showed also a versatility in dialectics, a persuasive charm, and, at times, a fervid eloquence that held his colleagues as under a spell. Clemenceau, writing then in his paper, *L'Aurore*, of a controversy in which he and Briand had been on opposite sides, said of the man whom he was not always to treat so charitably: "Never did a lawyer do better with a bad case. Every weakness became an element of strength, thanks to his subtle art, his oratory, his gestures. If I am ever to come before a jury, I want M. Briand to defend me."

This brilliant début was sufficient to mark Briand for a Ministerial portfolio, and in March, 1906, he entered the Sarrien Cabinet. But as a member of a "bourgeois" Cabinet he could no

longer qualify as a Socialist, and his party expelled him as it had already expelled Millerand and was later to expel Viviani. Many of these men who had sincerely espoused the Socialist faith at their start in life could not, once successful, resist the blandishments of "power." In the first years the Socialists felt toward Briand a bitter resentment, which was especially violent when, in 1910, in his first Premiership, he crushed a strike of railway employes in the most approved manner of Conservative governments, mobilizing all those who were subject to military service and arresting the leaders. That was the time when excerpts from his early speeches were freely quoted by his foes.

Gradually, however, especially in later years, when Briand became the target of the attacks of the Nationalist and reactionary elements, the bitterness of his former associates was replaced by a warm regard for the man who, while no longer one of them, had remained faithful to his democratic ideals and to the spirit of internationalism that he owed to his early training. Thus, during all his later Ministries, before and after the war, he managed to maintain the friendly neutrality of the Socialists while keeping the confidence of the republican majority.

No more than other statesmen, however, could Briand, as head of the government between 1915 and 1917, escape the onslaughts of Clemenceau in handling the extraordinary problems presented by the World War or in allaying the discontent aroused everywhere by that long-drawn-out struggle. It was only in the years that followed 1919, years full of the wranglings and the bitterness that had marked the drafting of the peace treaty, that Briand ceased to be an ordinary French Minister and rose to the stature of a European statesman. While the National bloc and its leaders—Millerand, Poincaré and Tardieu—were still under the influence

of the war psychosis, Briand stood out as the one man who understood that peace could not thrive in a war atmosphere and that the world could not continue to live on past grievances, rancor and hatred.

To carry on his plan of moral reconstruction and reconciliation he had to be very cautious, and when President Millerand and a part of the press accused him of yielding to Lloyd George at the Cannes conference in 1922, he resigned immediately. Resuming power in 1925, however, he prepared, in collaboration with the German Foreign Minister, Stresemann, the famous Locarno pact, which guarantees the Franco-German frontier and which established a firm foundation on which security could rest. Then Briand was hailed everywhere as one of the most sincere workers for peace in Europe. It was as Minister of Foreign Affairs in Poincaré's government that he went to Geneva in September, 1926, and welcomed Germany into the League of Nations. On that occasion he delivered one of the most stirring of his many great orations, saying earnestly: "Away with rifles, machine guns, cannon! Clear the way for conciliation, arbitration, peace! Countries do not go down in history as great solely through the heroism of their sons on the battlefield or the victories that they gain there. It is a far greater tribute to their greatness if, faced with difficulties, they can stand firm, be patient and appeal to right to safeguard their interests." That year he shared with Stresemann the Nobel peace prize.

His scheme for the economic federation of Europe, which met with indifferent reception, gave him the opportunity last May to preside at Geneva over the third session of the commission entrusted with the study of European economic problems. He had just been defeated by M. Doumer for the Presidency of the Republic. The delegates at Geneva gave him an unusually rousing ovation, and he was greeted in the name of his colleagues

not merely as a French political leader but as "a great international statesman." His last appearance at the League, of which he had been for ten years the principal figure, was when, as chairman of the Council, he cited Japan before the bar of world opinion for her actions in Manchuria.

As often happens, the growing international prestige of Briand was accompanied by increased hostility at home. His policies were periodically arraigned in the Chamber of Deputies by Marin and Franklin-Bouillon. In the press, the Nationalist papers, from the dignified *Journal des Débats* to the scurrilous *Action Française*, heaped on his head either bitter criticism or vile abuse. He was held responsible for the temporary failure of Germany to respond to offers of reconciliation. Every manifestation of the Steel Helms, every success of the Nazis, was a signal for a new attack on Briand. At times the passions were so hot that his life seemed at the mercy of some demented fanatic.

But Briand remained calm, patient and often humorous before his opponents, knowing that in the end his policy will prevail. Even his death did not silence all his detractors—"Death is not an excuse" is a saying that French partisans like to repeat. But France as represented by its government—Doumer, who defeated him for the Presidency; Tardieu, often one of his most bitter critics; Laval, his pupil, who, not from ingratitude, dropped his master only recently from the Cabinet—all paid him due homage. He was given a State funeral, and thousands of veterans and humble folk testified by their grief that they were conscious of the debt they owed to the man who, against great odds and in spite of all obstacles, had fought to the end to promote peace and good will among nations.

THE LAVAL CABINET FALLS

As luck would have it, it was the fate of Tardieu as Premier, and not of Laval, to pay the last honors to the

dead statesman. The Laval Cabinet was upset on Feb. 16 and replaced, after a crisis of four days, by a new Tardieu Cabinet, which received a vote of confidence on Feb. 23. Thus, in the midst of the Geneva disarmament conference and at the beginning of the annual budget discussion, a whole week was devoted to the reshuffling of the Ministry and a bitter partisan fight between the Right and the Left. It was the Senate that was responsible for the downfall of the eighty-eighth Cabinet of the Third Republic. Why did the Senate overthrow the government at such a moment? The cause is to be found both in the present complexion of the upper house and in the policies of the last Cabinet. The French Senate, which was, when founded by the Constitution of 1875, a conservative and even reactionary assembly, has gradually shifted toward the Left. Whereas in the early days it was considered an obstacle to all progressive policies, it has now become an assembly with a Radical-Socialist majority and even includes a Socialist group of eighteen members. It is thus, in many ways, more "advanced" than the Chamber of Deputies.

The Senate's main grievance against M. Laval was the fact that he seemed to identify himself more and more with the parties of the Right. He was accused especially of having shown himself friendly to a bill sponsored in the House by M. Mandel, Deputy of Gironde, a curious personality known as the former secretary and confidant of Clemenceau. This bill, which had caused a great furor among the Radicals of the House, aimed at the modification of the electoral law by abolishing the second ballot, known as the *scrutin de ballottage*. According to the present practice, on the first election day those only are elected who receive an absolute majority—namely, half of the votes plus one. On the second election day, two weeks later, a simple plurality is sufficient for election. Thus all parties have an equal chance

to appeal to the electorate. On the second ballot, however, voters concentrate on the candidate who comes nearest to their liking in order to defeat the one they consider the common foe. Thus Radicals and Socialists run separate candidates on the first ballot, only to merge their votes on the second ballot to block the way to the reactionary. The majority of the Chamber thought that by introducing the method of the single ballot they would stand a better chance of defeating the Left cartel. The debate was long and bitter, the Radicals and Socialists using against the bill all the obstructive methods allowed by the rules of the House. Before the vote was finally taken, on Feb. 12, and after the impassioned protest of M. Herriot, who showed the danger of dividing the country into two blocs, all the Radical-Socialists and the Socialists left the hall. The bill was passed by 288 votes to 1, out of a membership of 612. Only the Right, the Centre and the Communists voted.

The attitude of the government, which traditionally had always been neutral in debates on the mode of election of the House, was denounced as being friendly to this attempt to serve the electoral interests of the Right. Another grievance was that M. Laval permitted his new Minister of the Interior to carry to a convention of members of M. Marin's party, the Republican Federation, a message of friendship and of gratitude for their support. All this and a good deal else had created the atmosphere of intense hostility which brought about the storm in the Senate, where the opposition to the new electoral bill was known to be very general. Senator Peyronnet asked to interpellate; M. Laval asked for a postponement. It was that request for postponement in order not to weaken the work of the French delegation at Geneva that 157 incensed Senators out of 291 refused to grant. Thus the Laval Cabinet had to resign, bringing M. Tardieu back from Geneva in a hurry.

This act of the Senate was not very popular. Even some Radicals doubted its wisdom at the present juncture. The young nationalistic elements, always ready to stage street demonstrations, surrounded the Luxembourg Palace, hooting the Senators and fighting with the police. President Doumer set feverishly to work consulting, as usual, all the party leaders. He first called on M. Painlevé, the famous mathematician, who has been Premier three times and who seemed especially acceptable because, though a man of the Left, on the problems of security he was acceptable to the Right. However much he was willing to grant to the majority in his attempt at a concentration Cabinet, they were not satisfied, and the Marin group finally vetoed the Painlevé combination. The clash seems to have occurred over the Ministry of the Interior, a key position in an electoral year. Then, as had happened before in the case of the downfall of Chautemps, Tardieu was offered the Premiership and in one afternoon he had formed his Cabinet, which differed very little in personnel from that which had just been overthrown.

M. Tardieu, always bold, startled the public by several innovations. In his previous Ministry he had formed a rather topheavy aggregation of about thirty-three members. This time his Cabinet consists of only nineteen members—thirteen Ministers and six under-secretaries—almost all members of the Laval Ministry and including M. Laval himself, who went back to the Ministry of Labor. M. Tardieu took the portfolio of Foreign Affairs, giving to M. Piétri, former Minister of the Budget, a new department, the Ministry of National Defense, formed by merging the three Ministries of War, Navy and Aviation. To his friend Raynaud, who had been Colonial Minister, he gave the position of Minister of Justice and "Controller of the Administration," a new office intended to centralize the inter-

ests of all departments and to synchronize their action. Another bold stroke was to place in the Ministry of the Interior Albert Mahieu, a not widely known Senator, but an experienced administrator who is expected to preserve a neutral attitude during the coming elections.

This original and, to all appearances, economical and sensible combination did not appease the grievances of the Opposition. Nine interpellations were filed after the announcement of the new Cabinet. The Ministerial program was short and limited its ambitions to the passing of the budget, the continuation of the foreign policy of the preceding Cabinet based on "respect for contracts" and the support of the disarmament plan presented at Geneva. It contained also a friendly reference to the "entente" with Great Britain, described as "the best guarantee of peace founded on justice." The Opposition found much to criticize in the merging of the Air Department with the War and Navy Departments. The Radical Deputy Bergery complained that the disarmament project spoke of limitation of armaments, but did not begin any actual reduction. Others, including Edouard Herriot and Franklin-Bouillon, reproached the new Premier with having made impossible a Ministry of conciliation by torpedoing the combination attempted by M. Painlevé. The Chamber, after listening to speeches until early morning and witnessing some scenes of rowdyism, passed a vote of confidence by 309 to 262. After this test the Chamber resumed discussion of the budget, and M. Tardieu was able to return to Geneva, where the government is represented by the same delegation as before, with the addition, however, of the new Minister of National Defense, Piétri.

With the ill-fated electoral bill which brought about Laval's downfall were voted two additional measures of great importance—one on

woman suffrage and the other on compulsory voting. Both were mere Platonic manifestations, since every one knew that the Senate would not ratify the vote of the Chamber. The bill giving women equal political rights with men was sponsored by M. de Monzie and passed by 319 to 1. The bill for compulsory suffrage was passed by a show of hands, without debate. Both these measures were approved in the turmoil of a twenty-two-hour sitting, on Feb. 12. But, as was anticipated, the Senate was hostile. The project for suppressing the second ballot was voted down and returned to the House. As for the rider on woman suffrage, the subject was deemed too important to be discussed as an addition to another bill. The only portion of the Chamber's electoral bill found acceptable by the Senate was that which contained the revised list of districts of France, from which 613 Deputies will be elected in the coming election.

BELGIAN AFFAIRS

During February Belgium was also threatened by a Ministerial crisis, as

certain members of the Liberal party did not approve of the government policy adopted to meet the current economic situation. The only definite change, however, came with the resignation of Baron Houtart, whose portfolio of Minister of Finance was taken by Premier Remkin. The Chamber, faced by a deficit of 1,200,000,000 francs (over \$33,000,000), voted an increase of 10 per cent on all taxes and an equal reduction in all salaries and pensions of State officials. Disabled soldiers' pensions are to remain unchanged.

The Chamber passed on March 2 the new language bill, which divides Belgium into three sections for administrative purposes. In the first, Wallonia, only French will be used officially. Flemish will be the official language in Flanders, while the Brussels district will remain bilingual. Hitherto all Belgium has been officially bilingual. Amendments to make German the third national language were rejected, but the new bill, which now goes to the Senate, does not apply to Eupen and Malmédy, German-speaking annexed districts.

Fight for the German Presidency

By SIDNEY B. FAY

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NO national election in the past few years has commanded greater interest than was manifested the world over in the voting for the President of Germany, which took place on March 13. The figures available at this writing show that the 37,660,377 votes cast were distributed among the five candidates as follows: Von Hindenburg, 18,661,736; Hitler, 11,328,571; Thaelmann, 4,971,079; Duesterberg, 2,517,676, and Winter, 111,000. Although President

von Hindenburg failed by a narrow margin to gain the requisite majority, his lead over his nearest rival, Adolf Hitler, was such as to render almost certain his return to office after the second election scheduled to take place on April 10, when a majority over all the other candidates combined will not be necessary.

The vain efforts of Chancellor Bruening to avert an electoral contest, in view of Germany's financial and political difficulties—to secure a

prolongation of von Hindenburg's sane and moderating influence without inflicting on the nation the turmoil of a contested Presidential election—were described in these pages last month. When it became evident that the Chancellor's attempts to preserve the status quo were fruitless, however, the nation divided itself into a number of groups, and that of the existing government won out.

Von Hindenburg's consent to run for re-election was embarrassing to the National Socialists and the Nationalists, who, by a curious paradox, had voted pretty solidly in favor of the Field Marshal in 1925, while his main supporters in the recent election, the Social Democrats and the Roman Catholic Centre, in 1925 voted against him and for ex-Chancellor Marx. In the election of 1925 a great many persons believed that von Hindenburg, the victor of Tannenberg and the former intimate friend of the Kaiser, would act as a militarist and a monarchist. But after taking his oath of office to the republic von Hindenburg scrupulously lived up to it, and loyally supported the coalition majority, made up largely of Social Democrats and the Catholic Centre. That is why the attitude of parties toward him became the reverse of what it was seven years ago. Many Hitlerites and Nationalists still have a high regard for him personally. They realized that in opposing him they would run the risk of opposing a highly popular national hero. They would have been willing to prolong his term without election, but only on condition that he would get rid of Bruening, withdraw his support from the moderate coalition majority and hand over to them a share of the power. But von Hindenburg was unwilling to desert Bruening and the moderates, whom he has stood by during so many critical months.

Thus it was that on Feb. 22 Adolf Hitler announced that he would run as a Presidential candidate. He enjoyed the solid backing of the Na-

tional Socialist party, which has been growing with amazing rapidity during the past year and a half, as indicated both by the party membership and by its gains in every local election. He and his followers at once began a very active and vociferous campaign, with many mass meetings every evening. Their placards were posted everywhere and house-to-house canvassing supplemented the propaganda in their newspapers and mass meetings. His party was better provided with campaign funds than any of the others, and had the further advantage of making a strong appeal to the youth of Germany. These young people found themselves hemmed in by the restrictions of the Versailles Treaty, the heavy taxes, unemployment and the general depression which was depriving them of a fair start in life. Hitler's abundant promises that if he came into power he would sweep away the Bruening "system," which he charged was responsible for the present hard conditions, caught the ear of the young men and women of Germany.

Hitler in the past has often attacked the Weimar Republican Constitution and hinted that he would set up some kind of a dictatorship or Fascist government. But in order to become eligible as a candidate for the Presidency he had to acquire German citizenship, which he had never had, having been born in Austria. He therefore made the necessary move on Feb. 22 by accepting appointment as attaché of the legation of the State of Brunswick at Berlin. In doing so he swore allegiance to the Republican Constitution of Germany as well as that of Brunswick. He has long been shifting from his original extremist doctrines to a more moderate attitude, and it may well be that this oath of allegiance really marked the abandonment of his earlier anti-republican position. He has also emphatically declared that while he would put an end to the payment of

the "tribute" of reparations, he would scrupulously respect Germany's obligation to pay in full the interest and principal of all Germany's private debts.

Theodor Duesterberg was a third candidate in the Presidential race. He was put forward by Hugenberg's Nationalists and by the Steel Helmets, an organization of monarchically inclined ex-service men. Though they have often cooperated with the Hitlerites in opposing Bruening and the Social Democrats, they refused to vote for Hitler as President. Many of the Steel Helmet members still revere von Hindenburg as their beloved leader in the war, and some no doubt voted for him instead of their own nominal candidate, especially in the conservative regions of Bavaria and East Prussia. In any case, it was not surprising that Duesterberg obtained only 2,500,000 votes. Hugenberg's purpose in putting him into the running was to draw off votes from Hitler and von Hindenburg and so to cause a second balloting. The Constitution provides that if no candidate secures an absolute majority of all the votes cast there must be a second balloting in which a mere plurality is sufficient to elect. Hugenberg calculated that if he could bring about such a second balloting he would be in a stronger position to bargain for advantages for his party with one or the other of the candidates in return for the promise of the support of the Nationalist vote.

Another candidate of relatively slight importance was Adolf Gustav Winter, put forward by the People's Revalorization League. He was the one candidate who had a quite definite and concrete program—the revalorization at their full gold value of the currency notes of the pre-inflation period. But his candidacy suffered under the disadvantage that the candidate himself was serving in a penitentiary for alleged fraud in connection with this revalorization movement some years ago.

The fifth candidate, Ernst Thaelmann, put forward again, as in 1925, by the Communist party, polled the full strength of his party, which, in the Reichstag elections of 1930, amounted to about 4,500,000 votes. But owing to unemployment, hard times and discontent, which have increased since then, it was not surprising that the Communist vote rose in this latest election to nearly 5,000,000.

The main issue under consideration was whether Chancellor Bruening and the moderate coalition parties led by the Social Democrats and the Catholic Centre should be retained in power, or whether the control should pass to groups which have hitherto been hostile to the republic and who promised somewhat vaguely a betterment of Germany's position both at home and abroad. Bruening's policies of restoring Germany's finances by rigid economies and by government regulation of wages and prices and of relieving Germany of the present reparations and Versailles treaty burdens by peaceful negotiation have been frequently stated in these pages and are well known. He defended them actively in the campaign, and at the same time vigorously attacked the Hitlerites for dishonesty in trying to saddle Germany's ills upon himself instead of upon the conditions imposed on the country as a result of losing the war.

Bruening's speech in the Reichstag on Feb. 29 was broadcast throughout the country—not at the time he delivered it, but some six hours later. As the speech was delivered, the Chancellor had before him an almost invisible disk connected with a rather elaborate new machine in the Reichstag cellar. That same evening, in every German home containing a radio, the family heard the announcer say: "In a few seconds you will hear Dr. Bruening." And presently there came over the air, in the Chancellor's incisive tones, the full speech he had delivered six hours earlier to the crowded Legislature. It was reproduced per-

fectly, together with the mingled applause and derision from his supporters and opponents. Nobody listening would have dreamed it was other than a direct transmission of the Chancellor's voice, yet it was a reproduction, by a new German device, of a phonographic record.

The radio was employed once again on March 10, when von Hindenburg, who has never appeared on a political platform and whose voice had been broadcast only twice before, appealed to the German people to return him to office. Stating that the election of such extremists as Thaelmann or Hitler would bring the danger of serious disturbances in its train, the aged President declared he was not a candidate of any party, and had agreed to stand for re-election only because of a nation-wide non-partisan call.

GERMAN BUSINESS CONDITIONS

German economic conditions have not improved since the beginning of the year. Unemployment rose to 6,127,000 on Feb. 15, comprising 44.3 per cent of labor union members, as compared with 42.8 per cent on Jan. 1. Many of the large companies, which last year reported profits, are now

faced with deficits. The electro-technical industry, which is fairly typical, is working at 45 per cent capacity and orders are still declining. Manufacturers, in order to maintain exports to Russia, have begged the government to extend \$250,000,000 in credits to Russia, but the government has limited its participation to \$33,000,000, and this is offset by credits to Russia which are about to fall due and which presumably will be paid into Germany. German foreign trade during January fell to the lowest point in thirty-one years, in part because of the protective tariffs, quota systems and other barriers to freedom of trade which have been erected throughout the world.

The financial situation is a little better. The exchange value of the mark has remained near par. Only slight withdrawals of gold from the Reichsbank have taken place, so that the ratio of reserve in gold and foreign credits to outstanding notes was 25.2 per cent on March 2. The Berlin Stock Exchange was reopened for trading on Feb. 25 after being closed since Sept. 28, 1931, but transactions are unofficial and the prohibition against publishing prices continues.

Stabilizing the Spanish Republic

By WILLIAM E. LINGELBACH

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THE Spanish Republic, under the Left-Wing Socialist Ministry of Manuel Azana, with its extensive powers conferred by the Cortes, has been strengthened steadily by supplementary legislation of a Republican and Socialist character. Acting under the law for the defense of the republic, published in the official *Gaceta de Madrid* last October, the

government has suppressed the Syndicalist uprising, silenced the Catholic opposition and paid only incidental attention to former King Alfonso's recent manifesto or to the attacks of Alejandro Lerroux on behalf of the moderate conservatives.

Since national expenditures are usually the best index to the trend of governmental policies, the first budget of

the new republic, submitted on Feb. 20, is of exceptional significance. It is the largest budget in the history of the nation—an indication of the extension of government functions which usually accompany democratic and socialistic régimes. Equally suggestive is the distribution of the funds among the different Ministries. There are, for example, considerable increases for the Ministry of Education, the Ministry of Agriculture and Labor and the Department of the Interior.

Relatively, however, all these increases are small, and one wonders how real headway can be made in the warfare against illiteracy, which still prevails among 45 per cent of the population; or by what magic the extensive agrarian reforms projected by the Socialists can be effected with such modest appropriations. For the time being, moreover, education is seriously crippled by the withdrawal of the Jesuits. Their colleges and schools have been taken over by the different State authorities, but it has been found extremely difficult to secure adequately prepared teachers, or to finance some of the higher grade of work performed heretofore by members of the order. The appropriation for religion is greatly reduced, the 67,773,495 pesetas allocated to the church in 1929 being cut by more than half (the peseta at par is worth 19.3 cents). A sharp cut is also made in the item for the protectorate in Morocco. The small reduction in the items on war and armaments was a disappointment to those who had incorporated the renunciation-of-war clause in the Constitution, but it is explained partly by the fact that surplus officers were retired on full pay. In both the army and the church, the republic continues to carry for a time the burdens of these institutions, which were overextended under the monarchy.

On Feb. 24 the Assembly, by a vote of 201 to 97, supported the Ministry against a strong attack by Alejandro

Lerroux, the former Foreign Minister. In a vigorous speech, denouncing the proposed tax increase of 20 per cent on certain products, he reiterated the demand for elections, which he had voiced at a great political rally in Madrid's new bull ring three days before, urging the dissolution of the Cortes and the election of a new government, and warning the nation that the Socialists were moving faster than "the economic structure of the country could stand." Meanwhile, the Cortes has passed the divorce bill, which permits divorce through the civil courts by mutual consent six months after the filing of the petition.

While the government is proceeding relentlessly to republicanize, if not to socialize, the institutions of the nation, serious threats against its existence continued to be made by the Communists and by the Royalists. The Catalans have again shown signs of discontent over the failure of the government to grant the home rule promised to Catalonia. The convention of Burgos, attended by delegates from those cities of Spain outside Catalonia, adopted recently a strong manifesto against Catalan autonomy. It would mean, says the resolution, the dismemberment of the nation, the establishment of rival governments, conflict in jurisdiction and serious embarrassment to the economic life of the nation and to the national budget. Fortunately, nothing serious developed on this question during February. In the meantime, Colonel Macia claims Catalonia has *de facto* autonomy.

Despite the failure of the much-heralded general revolutionary strike by the Communists early in the month and the abortive affair on March 5 at Facta, in which several members of the Cortes were said to have been implicated, the Reds continued to foment uprisings. On Feb. 10 Major Ramon Franco, the celebrated Spanish flier and fourteen Communist Deputies created a scene in the Cortes over the transportation to Spanish Guinea of

109 Red leaders. In defending the government's action, Señor Casares Quiroga, the Minister of the Interior, declared that he was "only suppressing an un-Spanish movement" and deporting "men dangerous to Spain, vermin that should be exterminated." His policy was endorsed by the Cortes in a vote of 157 to 14. Simultaneously a struggle for control of the powerful National Workers' Confederation is in progress; Joaquin Maurin, the Communist leader, who has broken with Moscow, is seeking to capture the organization built up by the anarchists.

The threat to the republic from the Monarchists which came to a head in Alfonso's manifesto on Feb. 27 is more spectacular than real, though it may result in a request for the expulsion of Alfonso XIII and his family from France. The manifesto drawn up by the King in January, after denouncing the republic, which he declared has created a state of anarchy throughout the nation and is "no more acceptable to the people than the first," summoned "all Spaniards of good-will, without distinction of kind, class or condition, including even those republicans who in good faith will renounce their mistake * * * to reunite Spain under my holy banner."

Although it produced little or no stir, the fact that Alfonso's uncle, Alfonso Carlo, the Pretender, apparently joined in the movement, gives to the manifesto a certain significance. At the same time an appeal of this sort—issued by an ex-King about to start on a Mediterranean cruise—would indicate that the last of the Bourbons, like his predecessors, has learned nothing in exile. The government promptly ordered the arrest of any one found in possession of the document, and on Feb. 28 the shock police of the civil guard effectively used short-length rubber hose to disperse a group of several hundred young Monarchists shouting "*Viva el Rey.*" Later dispatches report serious dissatisfaction among the Monarchists themselves over what they call Al-

fonso's untimely and "flippant" manifesto; that courageous supporter of the monarchy, Count Romanones, characterized it as "silly and absurd."

MUSSOLINI AND THE POPE

The third anniversary of the settlement of the Roman Question was celebrated on Feb. 11 by the first meeting of the two outstanding Italians of this generation. On that day Mussolini paid a formal visit to Pius XI and subsequently proclaimed the date a national holiday to commemorate the accord reached in 1929.

The Vatican's official reception of the Duce and his small suite was brilliantly staged and in dramatic contrast with the simplicity of the actual interview in the Pope's personal library. When the interview was ended the members of Mussolini's party were also presented to the Pope.

Strangely enough, the two men, despite their having lived in Milan at the same time, one as Cardinal Ratti, the other as editor of a Socialist newspaper, had never met before. On Feb. 6, 1922, the Cardinal was elected Pope, and in October of the same year Mussolini became Prime Minister of Italy, after the famous march of Fascist Black Shirts on Rome. But though the two men did not meet until now, they have been in frequent communication through their representatives and at times in very difficult circumstances. Even after the success of the negotiations which led to the settlement of the Roman Question in 1929, serious friction arose over the activities of the Catholic Action.

The cordial relations with the United States revealed in the recent visit of Foreign Minister Grandi to this country were further emphasized in the widespread recognition throughout Italy of the bicentenary of the birth of Washington.

ECONOMIC CRISIS IN ITALY

While the celebrations testifying to the strong cultural relations between the United States and Italy are

going on during the Spring and Summer of 1932, the hard problems of our economic relations continue to confront the two governments. Trade between Italy and the United States, like that between other countries, has fallen off greatly during the present depression. Italy occupies thirteenth place among the countries exporting to the United States and sixth position as an importer of our goods. Although there has been shrinkage in the total trade of Italy during the last year, foreign trade during January continued to show the favorable trend of a decline in imports and an increase in exports.

On March 4 Italy and France signed an operating trade agreement pending the completion of the new commercial treaty which will replace that of 1922, renounced by France in December, 1931. An Austro-Italian trade convention was signed on the same day.

In the meantime, production has not improved relatively, and unemployment is increasing gradually. The number of unemployed in February exceeded by about 60,000 the January total of 1,051,000. Seasonal unemployment, of course, is partly responsible for the increase, and it is expected that with the resumption of agricultural work considerable reductions will occur. Unfortunately, only a small portion—less than one-quarter—of those out of work are entitled to insurance benefits, and the task of the Fascist party organizations, which are looking after the unemployment relief, is very heavy.

PORTUGAL'S DIPLOMATIC POSITION

The importance of Portugal in the international situation, not only because of her vast colonial possessions, but also because of her strategic geographic location on the Atlantic at the entrance of the Mediterranean, appeared again in February. Disappointed at the Paris Peace Conference in her desire for colonies, Italy has been

courting Portugal, and Great Britain is finding a rival suitor where for centuries she has been alone. The visit of the Italian air fleet last month, followed closely by a call from the British Navy, and the prompt offer on the part of an English shipbuilding company to take over the construction of a number of Portuguese cruisers, which an Italian firm is refusing to build because of the fall of the Portuguese exchange in sympathy with the English pound, are all indications of a new situation. Portugal's many possessions are widely scattered and very valuable. Even the small territory of Macao, near Canton, might prove of inestimable value to any European power as a base in case the Sino-Japanese conflict should spread.

In the face of this larger question the abortive strikes scheduled for Feb. 29, and even the rumor that President Carmona plans to resign, sink into insignificance. Of interest was the news that an Australian schooner had picked up a group of nine political prisoners, including a former Colonial Minister, a police commissioner—a nephew of President Carmona—a naval Captain, a journalist and an aviator, who were escaping from Timor. They were turned over to the Dutch at Kaupang and, since extradition amenities do not apply to political prisoners, they are probably free.

Economically, the situation in Portugal is bad, but being mainly agricultural, the Portuguese do not suffer to the same extent that highly industrialized peoples do. There is overproduction in many respects, especially of wine, which is now so cheap that it is being served free in many hotels. On Feb. 27 a number of decrees were issued raising the tariff on tobacco, kerosene and other commodities from 5 to 20 per cent. At the same time the government announced a six-year plan for extensive public works, involving the expenditure of over 20,000,000 escudos (at par the escudo is worth 4.42 cents) for schools, hospitals, roads and harbors.

Hungary and Her Creditors

By FREDERIC A. OGG

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TWO recent news items relating to the United States showed that the tenseness of the Hungarian financial situation has been somewhat lessened. The first, on Feb. 9, announced the renewal of negotiations for an extension of time on \$40,000,000 of American short-term credits, previously broken off because of American dissatisfaction with the terms that Hungary was willing to offer. The second, dated Feb. 19, was an announcement by Finance Minister Telesky that American banks had declared their readiness to honor checks drawn on them by Hungarian banks. The country's finances, however, are still weak, and in a speech on March 1, before the adjournment of Parliament for a month, Premier Karolyi warned Hungary's creditors that they might lose everything unless they were prepared to accept a considerable reduction in interest rates on their loans.

Meanwhile, sixteen New York investment houses protested to the State Department at Washington and to the League of Nations against alleged discrimination toward American holdings by the Budapest Government. The point to the protest was that when the suspension of service on bonds and debentures was decreed by Hungary last December, the so-called League of Nations loan of 1924 and certain other obligations were excepted, but not the \$65,000,000 owed in this country. In their appeal, the bankers denounced the Hungarian scheme of applying available foreign currency only to certain long-term loans, none of which is held in the United States, and called upon the League of Nations to recognize that preference to the 1924 loan implies a reciprocal re-

sponsibility on the part of the League to resume supervision of the financial affairs of Hungary in the interest of all creditors.

A volley fired by gendarmes into an excited crowd of inhabitants in the little farming village of Pacsa, who had gathered on Feb. 18 to demonstrate against the auctioning of cattle seized for tax arrears, resulted in the death of three persons and precipitated a tumultuous scene in Parliament on the following day. The Socialist Opposition, with which several minor parties are now making common cause, bitterly denounced the government's handling of the affair, and declared that if existing methods of collecting taxes from the impoverished peasantry are continued, blood will flow in hundreds of Hungarian villages. It was later reported that milder methods had been adopted, even though past laxity and inefficiency are responsible for stupendous arrears in existing taxes.

CZECHOSLOVAKIAN FINANCES

An important new banking bill, agreed upon by the Cabinet, was introduced in the Czechoslovakian Chamber of Deputies on Feb. 11. The object of the measure is to improve the organization and working of the country's banks in general, and especially to increase the security of deposits. The responsibilities of bank officials are enlarged, and every member of the board of directors of a bank is required, in addition to his general obligation to make good any losses of deposits caused by fault on his own part, to guarantee personally the safety of deposits to the extent of one-fourth of 1 per cent of the bank's to-

tal capital, or 50,000 crowns (about \$1,500), whichever is higher. Nor does this guarantee lapse after cessation of active connection with the bank. In addition, it is ruled that no person may hold more than ten bank directorships. Persons connected with a bank who have contributed to its difficulties may be called upon to refund all sums paid them, including salaries over and above a certain level. Contributions by banks to a general fund for use in rehabilitating any of their number requiring protection for its depositors are increased from 1½ per cent of the interest earned on deposits to 3 per cent.

Despite unfavorable developments in 1931, Czechoslovakia's commercial position continues to be superior to that of other Central European countries. Her proportion of the total world trade—the largest attained by any country lacking a seaboard—has not declined. Although her surplus of exports fell off in 1931, her export business actually stood at a higher figure at the close of the year than at the opening—a showing that can be explained only by the fact that there have been ten years of rationalization of industrial plant and equipment, improvement in the quality of output and aggressive salesmanship in the world market.

The French Chamber of Deputies on March 5 approved an agreement whereby a loan of \$24,000,000 to Czechoslovakia will be floated on the French market.

A Hitlerite organization, *Volks-sport*, purporting to be an association for outdoor gymnastics, and sanctioned by the Czechoslovakian Government in 1929, was dissolved at the end of February by decree of the Ministry of the Interior, on the ground that it had taken on a military character and had become a menace to the State.

RUMANIAN AFFAIRS

The economic situation of Rumania has been growing steadily worse; even a Cabinet crisis in the middle of

February failed to bring about an improvement. The Cabinet crisis came when Finance Minister Argetoianu proposed a scheme by which farmers were to be enabled to transform their short-term debts to provincial banks (estimated at a total of \$50,000,000 and bearing high rates of interest) into a thirty-year debt to the State at 4½ per cent, with the State collecting amortization and interest charges and remitting them to the actual creditors. To finance the plan a 1 per cent tax on immovable property was to be imposed each year for the next five years, raising some \$63,000,000, which was to be repaid to the "lenders" at the end of the thirty-year period. On behalf of the banks, which furnish much of its strength, the Liberal party refused to support the plan, and the Rumanian Banking Association presented a memorandum to the government predicting immediate ruin of hundreds of the country's banks if the plan were carried out.

King Carol thereupon called from Geneva Nicolas Titulescu, Minister to Great Britain and Rumanian representative at the disarmament conference. Although it was announced that the former Foreign Minister's presence in the capital was solely for the purpose of discussing aspects of international policy, the suspicion that he had been recalled to repeat his attempt of April, 1931, to form a national concentration Cabinet was speedily confirmed. All efforts, however, again proved unsuccessful, and the semi-dictatorial régime of Premier Nicolas Jorga survived.

BULGARIAN FINANCES

The question of the month in Bulgaria has been whether a general moratorium on foreign debts should be declared. To the accompaniment of bold assertions by government spokesmen that no further reparations would be paid, Finance Minister Stefanov carried an appeal for assistance to Geneva in early February, with the result that three commissioners were

dispatched by the League to inquire into the country's financial situation. After a five-day investigation, completed on Feb. 13, the commission arrived at the conclusion that while the kingdom was suffering from the exchange restrictions of its neighbors, its condition was not such as to justify a moratorium or other extreme measures. They had found all private banks liquid, the currency coverage to be 37 per cent and the currency itself enjoying the full confidence of the people. The optimism of the report contrasted sharply with statements made by Premier Muchanov and other government leaders, and while at the end of February it was not believed that a general moratorium would be declared, the matter was known to be under serious consideration. At all events, there seemed some likelihood that a step would be taken similar to Hungary's declaration of a "transfer" moratorium.

The Cabinet council has decided on a conversion scheme to ease small farmers of debts up to \$1,000 each by granting long-term facilities for payment and by suspending all forced sales for taxes until Nov. 1, 1932.

POLAND AND DANZIG

The resignation of Dr. Henryk Strasburger as Polish High Commissioner to Danzig was announced on Feb. 12. A former Minister of Commerce and Under-Secretary of State in the Foreign Office at Warsaw, he had been given a free hand in the High Commissionership, and during his earlier years in office succeeded in greatly improving Danzig-Polish relations. Since 1930, however, the Senate of the free city has fallen under the domination of German Nationalists and Hitlerites, and not even Dr. Strasburger's well-known skill and tact availed to avert an increasingly difficult situation. The appointment as his successor of Dr. Kasimir Papee, Polish Consul General at Koenigsberg, East Prussia, was construed to mean that the government

will henceforth keep matters in its own hands and that in the future Danzig-Polish policies will be made in Warsaw, not in Danzig.

The semi-official *Gazeta Polska* found it necessary on Feb. 16 to deny sensational rumors of a Polish plan to occupy Danzig by force—"wild stories aimed at damaging Poland's reputation abroad." It is generally considered that any really aggressive move against Danzig at present would hamper rather than advance Polish aspirations. The fast-developing port of Gdynia would be affected adversely and the problem of the Corridor would forthwith become a subject of international debate and decision, which is precisely what the Warsaw authorities desire to avoid.

GREEK AFFAIRS

As a result of the conversations of Premier Venizelos of Greece with officials in London, Paris and Rome during his recent visit to those capitals, it is expected that, after an inquiry into the matter by the finance committee of the League of Nations, a substantial sum will be advanced to the Greek Government for completion of reconstruction work in Macedonia. Athens newspapers supporting the Premier indicate that the amounts asked for totaled about \$52,000,000.

Royalist hopes were considerably stimulated by municipal elections at Piraeus on Feb. 29, for the Royalist candidate for Mayor polled a vote almost equal to that of his two competitors combined. Royalist demands that the Venizelos Government forthwith resign naturally went unheeded. That the incident was not wholly without significance was indicated by an assertion of the Premier that national elections ought to be held soon, in order that the world may understand that the delegates who will be sent to the Lausanne conference will really represent the Greek nation. At the end of February it was thought that a general election might be held in May.

Ivar Kreuger's Tragic End

By JOHN H. WUORINEN

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THE suicide of Ivar Kreuger, Swedish industrialist, in Paris on March 12, evoked abundant support of the theory that he was one of the world's most influential men. Less concern, no doubt, would have attended the passing of a half-dozen kings and princes, because Kreuger's influence had been internationally potent, and his sudden end sent tremors through the intricate fiscal web which transcends national boundaries.

Born in 1880, Kreuger rose to power through a variety of interests, principally in safety matches. Through the firm of Kreuger & Toll, which he controlled absolutely, he had been able to direct the Swedish Match Company, which owns the International Match Company and reaches into nearly every country in the world, with the Soviet Match Trust its largest competitor. Kreuger's method of advancing his interests was to grant loans to foreign governments in return for a monopoly of the match business in that country. His personal fortune has been variously estimated, but in any case it was one of the largest in Europe.

To what extent the Kreuger companies have suffered from the effects of the economic depression is not known at this writing. The Swedish financier's death, however, followed immediately upon his arrival in Paris from the United States, where he is said to have been unsuccessful in attempts to borrow certain necessary funds. At any rate, upon news of his death the Swedish Government obtained authority to grant moratoria on private payments for a month—a step calculated to prevent a rush of creditors on the Kreuger companies—and on March 13 the Stockholm Stock

Exchange was ordered closed for an unspecified period of time.

SWEDISH LABOR DIFFICULTIES

Threatened conflict in the Swedish metal industries was averted by the acceptance, on Feb. 2, of the proposals of the government mediator. The settlement called for a 4 to 6 per cent reduction in wages, affecting about 90,000 men. A similar compromise measure, providing for wage reductions ranging from 6 to 9 per cent, was accepted by sawmill workers on Feb. 15; thus another serious industrial contest was avoided. The successful employment of arbitration in the settlement of industrial disputes removed a heavy burden from the shoulders of the government, since a tug-of-war between capital and labor, involving over 100,000 men, would have necessarily placed serious obstacles in the way of the measures by which the government has been attempting to improve Sweden's economic condition.

The disarmament discussion in the lower house of the Riksdag on Feb. 26 brought to light a significant cleavage among the Socialists. In replying to an interpellation put to the government concerning its attitude toward the proposal of M. Tardieu at Geneva, Premier Ekman stated that the Cabinet intended to consider the proposal. P. A. Hansson, the Socialist leader, defended the stand of the government and pointed out that the Swedish Socialists favored the maintenance of an international force for the preservation of peace. Three other Socialist members of the Riksdag, however, took exception to Mr. Hansson's views and held that Sweden

should assume no military obligations whatsoever.

FASCIST REVOLT IN FINLAND

The strength and stability of the government of Finland was tested at the end of February when the Lapuan anti-Communist organization, or Fascists, mobilized about 4,000 of its members at Mantsala—forty miles from Helsinki—and threatened to march upon the capital. The Lapuans demanded the resignation of Baron E. von Born, Minister of the Interior, and of General B. Jalander, Governor of the Uusimaa Province. On Feb. 29 the Lapuan leaders insisted that the entire government should relinquish office.

President Svinhufvud, who became Prime Minister in 1930 and President a year ago as the result of the Lapuan movement, was now called upon to repress it. The army and the defense corps, in spite of Lapuan claims to the contrary, remained loyal, and the mass of the nation condemned the Mantsala demonstration. Proceeding with caution and tact, lest lives be unnecessarily lost, the government declared that the rank and file of the Lapuans would be permitted to return to their homes and that only the leaders would be punished. The latter reiterated, on Feb. 29, that nothing less than the resignation of the government would satisfy them. On March 2 General K. L. Oesch was appointed to share the Ministry of the Interior with Baron von Born, making it clear that instead of acceding to Lapuan demands the government stood ready to take drastic measures. Unwilling to precipitate a clash, the authorities waited till March 5, when the whole Lapuan rebellion collapsed. The rebels surrendered to the authorities at Mantsala, and on the following day six of the leading figures of the movement were arrested and taken to Helsinki. Among them were V. Kosola and General Wallenius. The affair thus ended without an armed clash or bloodshed.

This challenge to constituted authority marked the culmination of a series of events that have disturbed the internal politics of Finland for over two years. In the Fall of 1929 there began what seemed, at the time, more or less spontaneous mass protests against communism in all its forms. Although the Communist party was outlawed in 1923, it continued its work under new labels. Attacks on Communist speakers, the destruction of Communist printing establishments and the kidnapping of Communist leaders characterized the attempt to stamp out this type of radicalism. By the Summer of 1930, the movement, well organized and national in scope, included thousands of citizens representing a cross-section of Finnish society and cutting across party lines of all non-radical groups.

Soon, however, the activities of the Lapuans, as the anti-Communists were called, became increasingly lawless. Members of Parliament and other persons who displeased the anti-Communists were visited with forcible detention, transportation to the Russian border, beatings and so on. The kidnapping of ex-President and Mrs. Kaarlo Stahlberg in October, 1930, was the most striking illustration of the lawless policy condoned and abetted by the Lapuans. Meanwhile the government seemed unable to suppress the movement.

The Stahlberg incident, by creating nation-wide indignation, checked Lapuan activities temporarily. Among the individuals who were arrested at the time of this outrage was General Wallenius, Chief of the Army General Staff. He was tried and found guilty, but on appeal the sentence was reversed. During the past fifteen months the Lapuans, whose Secretary General Wallenius became shortly after his acquittal and resignation from the army, have acted in a manner that has clearly suggested objectives other than that of stamping out communism. Apparently they have desired a radical revision of the present demo-

cratic Constitution in the interests of conservatism and the outlawing of the Socialist party.

Anti-socialism, as distinct from anti-communism, became marked especially after the first of the year. Workingmen's halls were forcibly closed in several instances, and crimes against individuals were committed in the name of what the Lapua leaders chose to call suppression of "Marxism." The government, moreover, was informed that unless it mended its ways it would be overthrown—in other words, it would have to accept the dictates of the Lapuans or resign. That the government was determined to maintain law and order was indicated by an order issued to the provincial governors on Jan. 30, in which their attention was called to the need of energetic measures. On Feb. 3 the Lapuans informed the government of their displeasure and at the same declared that unless von Born and Jalander were dismissed the Lapuans could not "prevent acts of violence." Two days earlier V. Kosola, the outstanding Lapuan chief, had stated that unless the Cabinet indicated its agreement with Lapuan demands the whole government would be opposed.

Matters came to a head when on Feb. 27 several hundred armed Lapuans broke up a labor meeting at Mantasala at which M. Erich, a Socialist member of Parliament, was lecturing. On the following day the Lapuans were in open rebellion. The issue was clear—either the government must accept the challenge or surrender.

By March 5 complete order prevailed in all parts of Finland. The press demanded severe punishment of the rebel chiefs, who, according to President Svinhufvud's statement on March 2, will be tried for high treason.

FINNISH LIQUOR LAW

Since the signing of the new liquor law on Feb. 9 measures have been taken to establish in Finland a State-

regulated system of liquor sale. The ten members of the State Alcohol Corporation were appointed by the government on Feb. 11. The capital of the corporation was fixed at 30,000,000 marks (the mark is worth about 2.5 cents), and except for two shares, which were assigned formally to two Cabinet Ministers, the corporation is entirely State owned.

THE MEMEL CONTROVERSY

The German-Lithuanian controversy over the Memel situation, which was precipitated on Feb. 6 by the arrest of Otto Boettcher, the President of the Directory, has received considerable attention because Lithuanian authorities seem to have acted in contravention of a League settlement. Governor Merkys, whose dismissal of Boettcher led to the arrest, appointed M. J. Toliszius to the vacant post, but the Memel Directory refused to accept the new appointee. The Lithuanian view of the case, presented in a statement issued by the Elta Bureau, may be summarized as follows: Boettcher, with two other members of the Directory, had engaged in negotiations with the German authorities in Berlin; in the circumstances, Governor Merkys, whose function it is to safeguard Lithuanian sovereignty in the territory, was obliged to rescind the appointment of Boettcher, whose refusal to leave his post led to his arrest.

On Feb. 13, as the result of a protest by Germany, the Council of the League of Nations discussed the problem. Von Bulow, who expounded the German view, insisted that Governor Merkys's action constituted a flagrant violation of the Memel Convention (1924), and maintained that the recent developments in Memel represented but one item in a long series of events by which Lithuania has, for some time past, been reducing the actual autonomy of Memel. The charges were denied by M. Zaunius, Foreign Minister of Lithuania, who held that the arrest of Boettcher was a logical

result of his refusal to relinquish office.

The Council appointed the Norwegian delegate, M. Coban, to act as rapporteur in the case, and instructed him to submit his findings at an early date. M. Coban's report, which was presented on Feb. 20, maintained that, contrary to Lithuania's contention, the situation in Memel is abnormal, and that the appointment of a Directory which enjoys the support of the Landtag was urgently needed. The report suggested also that the signatories of the Memel Convention should submit the matter to the World Court. During the discussion of the report, M. Zaunius took exception to these two principal recommendations, but

the report was eventually accepted.

A week later Governor Merkys appointed Edouard Simmat to Boettcher's post and proposed that in the future the Directory should include, besides the President, two Germans and two Lithuanians. As M. Simmat is supposed to be Lithuanian in sympathy, the Landtag refused to consent.

NEW ESTONIAN CABINET

The Cabinet crisis created by the resignation of the Pats Government on Jan. 29 continued into the middle of February, until M. Teemant succeeded in forming the necessary coalition on Feb. 18. The new government is composed of Agrarians and representatives of the National Centre.

The Price of Soviet Efficiency

By EDGAR S. FURNISS

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THOSE who believe that life within the Soviet Union has become more easygoing or that the scope of individual freedom has broadened under the recent Communist régime will obtain enlightenment from a series of news items inconspicuously placed in the press, which record the execution or imprisonment of numerous government employes during the past few months. On Feb. 21 three men were sentenced to be shot and forty-one others were sent to prison for mismanagement of one of the cooperative markets. A few days earlier one sentence of execution and thirty-nine sentences of imprisonment were meted out to employes of the railroads. In January a succession of wrecks on the railroads resulted in sentences of death for five and terms of imprisonment for at least a dozen others. Just before these events twenty-seven government em-

ployes, mostly Communists, were arrested and punished for inefficient service in connection with the food supply; and ten others were fined or imprisoned for mismanagement of the building program. Last Spring and Summer no fewer than sixteen persons were executed for delinquency in the grain collection.

Until recently such events as these would have been featured in the Russian news; for it was the Communist dictatorship with its pervasive espionage system, its heavy oppression of the individual, its ruthless suppression of dissent, which struck the imagination of the American observer most forcibly. Nowadays the incidents of dictatorship pass without notice, overshadowed by the absorbing interest of the Five-Year Program. The change is due chiefly, no doubt, to the worldwide industrial dislocation which has turned the attention of people every-

where to the problem of economic planning. But it is promoted by the recent practice of the Soviet press in stressing the economic phases of Communist policy almost to the exclusion of its other aspects. In accordance with this change of emphasis the concept of the Communist society in the mind of the foreign observer has altered to subordinate the oppressive features of the system and to make the most of its productive activities.

To preserve a clear understanding of the conditions of life in Russia for the average individual one must guard against drawing false inferences from this shift in the relative news value of different aspects of the Soviet régime. The Five-Year Plan has not brought to the people of Russia a relaxation of the tension of life or an increase in the range of personal liberty. In the political sphere, the more violent and wide-spread manifestations of dictatorship have tended to disappear. The expansion of the party membership, the disappearance of an organized opposition and, above all, the absorption of popular energies in the economic affairs of the nation have diminished the need for open and brutal political suppression though beneath the surface the dictatorship operates as relentlessly as ever.

In the non-political aspects of daily life, on the other hand, there has been a continuous increase of pressure upon the individual. The next Five-Year Program, it is true, contemplates an improvement in the conditions of physical existence for the mass of the people—a larger ration of food, more adequate housing, some slight increase in the supply of articles of ordinary household use. But in psychological terms the burden has increased steadily and is still increasing. As the Five-Year Program has broadened in scope to involve larger numbers of people, and increased its tempo in the desperate effort to keep pace with the control figures there has been continuous encroachment upon the area of

personal liberty. The obligation of the individual to labor regardless of his inclination has grown increasingly severe. The burden of his responsibility for the efficiency of his labor and the seriousness of his risk in case of failure are amply illustrated in the terse records of the criminal courts of which examples are given above.

With regard to conditions within the Communist party, also, it is easy to be misled by the harmony which apparently prevails. The absence of intra-party conflict is evidence, not of a growth of tolerance for divergent opinions as some appear to believe, but of increased despotism. The party has become united by the ruthlessness of its leaders in extinguishing all stirrings of dissent. Its discipline is more severe and the authority of the handful of men at its head more complete than ever before. When, early in February, Nikolai Bukharin made public confession of error before the All-Union party conference and was reinstated as a Communist in good standing the last potential leader of an opposition within the country was brought under control.

Outside Russia Leon Trotsky remains a constant irritation to the Kremlin by reason of his caustic criticism of the Stalin policies; and the influence of the old war lord upon the non-Russian members of the party has been great enough to inspire an organized opposition within the foreign branches of the Third International. Stalin took notice of these dissenters in foreign countries when, on Feb. 21, he prevailed upon the Praesidium of the Central Executive Committee to strip Trotsky and thirty-six of his associates of their Soviet citizenship and to forbid them for all time to enter the territory of the Union.

The heresy-hunters are again active, and not even those who openly avow allegiance to the party's leaders are safe from the accusation of heterodoxy in thought and belief. Just now it is the members' views on economic his-

tory which are being made the test of the purity of their faith. Stalin's recent article in the magazine *Bolshevik*, denouncing the spirit of "rotten liberalism" which is corrupting the minds of certain Communists, was aimed at this type of intellectual heresy. Yaroslavsky, head of the Godless Society and a relentless critic of Trotsky, is now accused of "masked Trotskyism," because his ideas regarding economic history appear to differ from those held by Lenin. Many Communists in academic life, including Professor A. G. Slutzky, a prominent writer on Communist theory, have been dismissed from the party and deprived of their professional posts for the same offense. Posters displayed in offices, workshops and social centres appeal to the rank and file to assist the leaders in hunting out those who question the creed, depicting these errant comrades as craven figures in the ranks, labeled "liberalist" and "Trotskyist," trembling before the wrath to come.

RUSSIA'S FOREIGN DEBTS

In economic affairs the problem of chief importance at the moment is the position of the Soviet Union in respect of her current obligations to foreign countries. During the year just past the unfavorable balance of Soviet trade has mounted steadily, despite a reduction of 55 per cent in Russian purchases in the United States, with the result that the trade statement of 1931, when all items are considered, will show an increase of some \$125,000,000 in Soviet foreign indebtedness. Not all of this will become payable during the present year, but when the maturing obligations arising from prior commitments are added to the account it becomes clear that the Soviet Union must contrive during 1932 to pay off approximately \$300,000,000 of obligations held abroad. This she cannot do by means of exports. Her entire export trade last year was in the neighborhood of \$400,000,000. The decline of prices in the

world's commodity markets, the disappearance of Russia's grain surplus and the increasing impediments to her trade imposed by the commercial policy of other countries make it increasingly difficult for the Soviet Union to maintain the volume of her exports at that level. By cutting her imports to the bone this year, and thus incidentally retarding the progress of the Five-Year Plan, the Union may hope to balance her 1932 trade statement and avoid increasing her indebtedness, but she cannot expect by this means to discharge the accumulated demands of her creditors.

The bearing of this situation upon the Soviet domestic program has been pointed out frequently in these pages and need not be discussed again. Its international implications are of especial importance at the present time. The danger of Soviet default not only exerts a generally disturbing influence on international commerce, but because of the peculiar position of Germany in relation to Soviet obligations it bears directly upon the financial stability of Europe. A full half of the current claims against the Soviet Union are held by German banks under guarantee of the government. Germany under the pressure of necessity to expand her exports has offered her goods to the Soviet buyers upon credit terms far more liberal than have been considered prudent by other countries. Consequently she now finds herself in the position of Russia's chief creditor, and her own ability to resume payment on reparation and private debt account depends in part upon the ability of the Soviet trade agencies to meet their obligations. The Soviet Union by defaulting payment would not only undermine still further the already insecure structure of Germany's economic system, but would add to the difficulties of the closely interlocked capitalistic world. There are those who predict that the Communist leaders will adopt this device in furtherance of their program of world revolution.

There is, however, no evidence that the Soviet Union intends to default during the immediate future. Such a policy would destroy at once her ability to import materials which are absolutely essential to the success of her program. Granting, then, her willingness to meet her obligations, the devices she must use to discharge this heavy burden are of practical importance to the rest of the world. It is clear that she must realize as much as she can by the forced sale of her products on the already depressed markets of the world. The balance, probably a major fraction of the whole, must be made up by an export of gold or of the credit instruments of other countries payable in gold.

To this end the Soviet Government is adopting various measures. The "Torgsin stores" have been set up to sell goods not obtainable in the regular market for foreign money sent to Russian residents by their friends in other countries. These enterprises are said to be producing for the Soviet treasury an income of \$1,000,000 a week in gold currencies. Strenuous efforts are being made to expand the output of the gold mines through the use of imported equipment and foreign

experts. The gold production for the current year is expected to equal \$60,000,000. Finally, in case of necessity, the Soviet Government can export the gold reserve of the State Bank. Official figures which place the reserve at \$300,000,000 are probably unreliable, but the gold stock in the possession of the bank is undoubtedly sufficient to balance Russia's account with her foreign creditors if other means fail. The problem of maintaining the stability of her own monetary system, which is officially based on gold through the redeemability of the chervonetz rubles, is of no great moment in a country where money incomes, prices and the rationing of supplies are all determined by the dictators. In forecasting the trend of events during the coming months it is safe to say that the Soviet Union intends to make full use of these various devices to meet her foreign obligations. To those interested in the development of Soviet policy the significant aspect of the situation, therefore, is not the danger of default but the effect upon foreign countries and upon the Five-Year Program of the means employed by Russia to discharge these obligations.

Arabs Offer New Palestine Plan

By ALBERT H. LYBYER

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ARAB leaders in Palestine are reported to have accepted with reservations a proposal to divide Palestine into two autonomous regions—one for Jews and one for Arabs. Egyptian and Indian Moslem leaders are said to be advancing this plan. The Jewish area would become the Jewish National Home. The two autonomous areas would be united in a single State, with one Constitution and an Assembly in which both Jews

and Arabs would participate. If the plan should work successfully, the unified Palestine Government would apply for membership in the League of Nations on a footing similar to that of Iraq. Revisionist Jews already have expressed opposition to the plan.

Certain Palestinian Jews have proposed that Great Britain be asked to relinquish her mandate in Palestine in favor of direct administration by the League of Nations. Revisionist

leaders are said to favor this plan, which is less hostile to the Arabs than to Great Britain. The basis of the Jewish recommendation of the termination of the British mandate lies in restrictions upon immigration, limitation of land purchase by Jews and failure to support the Jewish National Home.

The Jewish Agency protested recently because of a British decision to reduce the immigration certificates for the present half-year from 1,720 to 350, apparently because a small Jewish immigration naturally produces depression among the Jews and consequently slackens the Jewish interests in Palestine and reduces Jewish financial support.

THE KORAN IN TURKISH

At Constantinople on the Night of Power in the month of Ramazan the Koran was read in the mosque of Santa Sofia for the first time in Turkish. Twenty thousand persons are believed to have entered the mosque that night, while as many more endeavored to but failed. Translation of the Koran into Turkish has been supported by the government for two or three years as part of its campaign against Arabian influences. The innovation may turn the attention of worshipers from formal observance to genuine understanding. Persia and Afghanistan, it is expected, will in time follow the example of Turkey in translating the Koran into the national tongue.

Tewfik Rushtu Pasha, after visits to Teheran, has been conferring with the Russian Government at Moscow about the situation in the Far East. Turkish opinion is hopeful that the Soviet Government will not become involved with Japan and China. Turkey's treaties with Russia provide benevolent neutrality, but not active assistance in case Russia finds herself at war with a third government. One reason for opposition to any general war is that Turkey is obliged by the Treaty of Lausanne to permit the

passage through the Straits of any foreign fleet equal in size and strength to the Soviet fleet in the Black Sea. The question would arise whether benevolent neutrality demanded that Turkey hinder the passage of Japanese warships or those of possible Japanese allies. Further, in the event that a war between Russia and Japan should bring about the overthrow of the Soviet régime and its replacement by White Russians, Turkey would be confronted by a far less friendly government. In general, the Turks sympathize with China, comparing the occupation of Shanghai by Japan with the occupation of Smyrna by the Greeks in 1919.

Russian trade in Turkey has suffered from the restriction of imports. Some 300 Russian officials with their families, who have been employed by Russian agencies in Anatolia for trade in agricultural and sewing machines and other articles, are preparing to return home.

ELECTIONS IN SYRIA

Henri Ponsot, the French High Commissioner in Syria, issued a decree on Dec. 7 defining the group qualifications for seventy Deputies in the Syrian Legislature; fifty-two of these are to be Sunnite Moslems, fourteen are to represent Christian and Moslem minorities and four are to be Bedouins. Ten Deputies are to come from Damascus, four from Homs, ten from Aleppo and three from Hamah. The elections, which were held on Jan. 5, chose fifty-four Deputies, forty-nine of whom were moderates. The elections in Damascus, Hamah and Doma were postponed.

Notables of the Jebel Druse met recently with the High Commissioner at El Suweida to discuss the proposals for granting independence to the region and to consider plans for stabilizing the administrative and political relations with the High Commissioner.

THE MARONITE PATRIARCH

The Maronite Patriarch, Elias Hoyek, died in Beirut on Dec. 23. As

a student he spent seven years in the Jesuit Seminary at Ghazir, and from 1866 to 1870 studied at the College of the Propaganda of the Faith in Rome. He then served the Patriarch Paul Masaa as secretary until he was made Bishop in 1889; ten years later he became Patriarch. Reckoned among the devoted friends of France, the Patriarch Elias Hoyek enjoyed a high reputation for profound piety, extensive culture, energy and courage in upholding the cause of the Lebanese. In 1919 he visited Paris at the time of the Peace Conference, to work for the autonomy of the Lebanon.

By the rules of the patriarchate a new incumbent must be chosen within eight days of the death of its Patriarch, but it was not until Jan. 8 that Anthony Aridah, Archbishop of Tripoli in Syria since 1908, was elected Patriarch of the Maronites. Born in 1863, he completed his studies in Paris, and, like his predecessor, served for a number of years as patriarchal secretary. During the ceremony of investiture at Bekorki on Jan. 10 the new Patriarch and the Bishops affirmed in vigorous terms their recognition of the ancient friendship between France and the Maronite community.

EGYPTIAN FINANCE

The depreciation of the Egyptian pound owing to the fall of English sterling has improved economic conditions somewhat. The burden of agricultural and industrial indebtedness has been lightened materially and cotton exports show signs of increasing about 30 per cent over those of a year ago. Egyptian exports to France and America have declined, but those to many other countries have increased. The government still maintains a surplus of \$190,000,000—\$75,000,000 of which represents cotton purchased at a cost more than double the present selling price. The actual reserve therefore amounts to about \$150,000,000.

The new Egyptian budget has bal-

anced revenue and expenditure at \$185,000,000, a reduction of about \$10,000,000 over that for last year.

IRAQ IN THE LEAGUE

On Jan. 28 the Council of the League of Nations announced that it was "prepared in principle to pronounce determination of the mandatory régime in Iraq." The completion of the process will require a two-thirds vote in the Assembly of the League, which probably will be obtained at the regular meeting next September. The Permanent Mandates Commission is expected to impose certain conditions concerning the protection of minorities, the rights of foreigners, freedom of conscience and economic equality. The most difficult will be that protecting racial minorities. If this program be completed during the present calendar year Iraq will have attained statehood at a far earlier date than seemed likely ten years ago.

PERSIAN TRADE

The Persian Government has modified some of the regulations concerning foreign exchange and control of imports which have hampered American trade with Persia during the past year. The government no longer exercises control over all foreign exchange transactions, although exporters still will be required to sell their exchange to the government for the use of holders of import permits. In view of the fact that a number of countries have gone off the gold standard, it is not surprising that the government has abandoned its plan to introduce the gold standard.

The total trade of Persia for the fiscal year ended March 21, 1931, showed a decline of 10 per cent from that for the preceding year; if the decline of values is taken into consideration the loss was nearer 17 per cent. Imports were about \$65,000,000 and exports \$115,000,000; about \$75,000,000 in exports, however, belonged to the Anglo-Persian Oil Company, of which only about \$9,000,000 was paid to the Persian Government.